FINANCIAL TIMES

PUBLISHED IN LONDON AND FRANKFURT

No. 28,239

Saturday August 9 1980

CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 25; DENMARK Kr 5.00; FRANCE Fr 4; GERMANY DM 2.0; ITALY L 800; NETHERLANDS Fl 2.0; NORWAY Kr 5.00; PORTUGAL Esc 45; SPAIN Pts 70; SWEDEN Kr 5.00; SWITZERLAND Fr 2.0; EIRE 25p; MALTA 20c

NEWS SUMMARY

GENERAL

Sunday Times story barred

The British Steel Corporation won a temporary injunction in the High Court yesterday to stop the Sunday Times from publishing tomorrow confidential BSC documents.

The injunction, obtained in a private bearing, lasts until Tuesday, wben Times Newspapers will be able to put its case more fully.

The material sdds to the story told in the Wnrld in Action TV programme, as a result of whicb Granada has been ordered to reveal its BSC source.

Negotiations between The Observer, which bas announced its closure in three months' time, and the NGA, some of whose members are in dispute, were said to be at "an extremely critical" stage. Page 3

Milk up ½p a pint

Milk goes up ½p a pint tomorrow to 17p and may rise again before the end of the year. Farmars say it is not enough. Back Page

Back from Arabia

British surgeon Richard Arnot, wbo faced a year in jail and 30 strokes of the cane, and his wife Penelope, who faced 80 strokes, following a party at their Jeddah home in which two people died, arrived in Britain, freed by Saudi Arabia.

Bigger rebates

Rate and rent rebates of lower-income groups and support for the handicapped are due to be increased in November. Page 16

Wilcox resigns

Desmond Wilcox, bead of TV general features, has resigned from the BBC and will work as a freelance. His wife, Esther Rantzen, freelance for BBC, which has a rule that husbands and wives cannot work together.

Angry Begin

Israeli Premier Menahem Begin denonnced as "odions calumny" a report that Israel's security chief resigned because he had blocked investigation of bids to kill three West Bank mayors in June. Page 2

Irish hotel fire

Republic of Ireland pnlice are investigating possible terrorist links with a hotel fire in Bundoran, Co. Donegal, that killed at least eight.

Shop staff's perk

Debenham's, the retail group, is paying London Transport £1m to give £590 one-year bus and tube tickets to all its staff. Page 3.

England topple

England wera sll out for 133 in the Fifth Test at Headingley where play started in the afternoon, one day late. West Indies are 9 for no wicket.

Briefly. . .

An attempted rapist's offer of £250 to his victim was accepted at the Old Bailey.

Shrewsbury sky-diver Jane Houghton, 30, was killed in California wben ber parachute did not open.

Students at private-enterprise University College, Buckingbam, will be eligible for State grants from January. Page 3

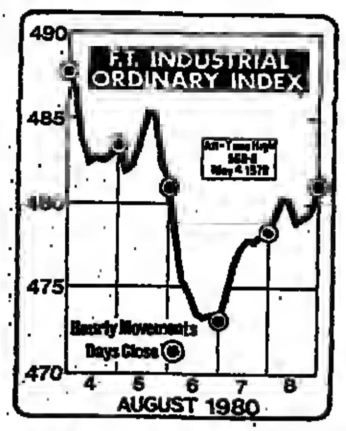
Six bodyguards of arrested Zimbabwe Minister Edgar Tekere were charged with killing a white farmer.

Floods have killed 382 in Uttar Pradesh, India, and nearly 200 are dead or missing in South Korea.

BUSINESS

Equities gain 2.9; gilts up to 69.81

● EQUITIES picked up in after-hours activity, and the FT 30-share index gained 2.9 to 481.1,



although it was still 6.8 down on the week. Page 20

● GILTS again dominated the market, with isolated gains of a point among longs, and shorts equally impressive. The Government Securities index rose 0.32 to 69.81. Page 20

● STERLING was at its highest level for nearly fonr years against the D-mark, closing at DM 4.2350 (DM 4.2275). It gained 15 points against the dollar to $2.3720. Its trade-weighted index was 75.5 (75.3). Page 19

● DOLLAR traded within a narrow range against the D-mark, closing at DM 1.7840 (DM 1.7820). Its index was 84.5 (84.4). Page 19

● GOLD rose $4 in London to $633.50. Page 19

● WALL STREET was 4.44 higher at 955.38 shortly before the close. Page 16

● THE NIGERIAN Government is to order Shell, Gulf and Mobil to surrender millions of barrels of their own oil to the state nver the next few years. The amonnt of crude involved is about 90m barrels. Back Page

● SENIOR Civil Service scientists, who were told they could have no pay increase this year because their salaries bad nutstripped those of comparable staff in outside jobs, were awarded 3.5 per cent rises by an arbitration tribunal. Back Page

● BRITAIN'S troubled fishing industry is to receive additional Government ald of just over £14m in the current financial year. Pages 3, 8

● A MAJOR overbaul of the system by wbich house buyers pay separate fees for building society valuation reports and independent surveys may be on tbe way. Page 5

● COURAGE is to close its Southwark brewery in March, and its hottling plant there in early 1982, at a cost of 690 jobs. Both sites will he sold. Back Page

● CLEVELAND Bridge and Engineering, part of the Trafalgar House group, has received a forther £5m loan from the European Investment Bank towards building and equipping a £26m beavy engineering works in Darlington. Page 3

● TWO EXPORT orders worth £51.5m have been won hy Massey-Ferguson to supply tractors to Iraq and Somalia. Most of the vehicles will be produced at the company's Coventry plant. Page 3

COMPANIES

● BARCLAYS Bank'a South African subsidiary announced a 66 per cent increase in after-tax profits, to a record R34.8m (£19.3m) in the first half to June 30. Page 14

● HOWARD TENENS Services, the distribution and engineering group, recovered from losses of £261,000 to a pre-tax profit of £1.13m in the year to March 31. Page 14

Tax computer plan review raises hope for ICL order

BY ELINOR GOODMAN AND GUY DE JONQUIERES

The Government threw the massive contract to computerise the Inland Revenue's Pay-as-You-Earn operations back into the melting pot yesterday, in apparent hope of finding a formula that would justify awarding most of the order to ICL and otber British companies.

It announced that it was reviewing the project'a technical specification, and hinted strongly that it fsvoured a simpler aod less expensive solution than the ambitious system proposed by the Inland Revenue.

The order, the largest civil computer contract in Europe, is proving a serious test of the Government's "Buy British" policy for the public sector, and has led to sharp disagreement among Ministers.

The decision to carry ont a review of the specifications seems to have been partly motivated by genuine worries about the complexities of the system proposed and partly by the need to find some way of getting round the very serious political difficulties surrounding any decision to buy American equipment.

Ministers believe that a change in the specification should favour ICL. This would get them off the politically very embarrassing book of having to buy an American system, probably from IBM, on the grounds that it waa a better buy in terms of both price and reliability.

One optioo, which the Treasury is believed to favour, would be to implemeot the project in stages without makiog a firm commitment at the start to the final shape of the system or to a precise timetable for its completioo.

That would, it is thought, enable the inital orders to be placed with British suppliers, but would require them to justify their performaoce against tenders by foreign competitors in bidding for later stages of the work.

The Government has been under strong pressure from MPs on both sides of the House to award the entire order to an all-British consortium led by ICL.

Announcing the review yesterday, Sir Geoffrey Howe, tha Chancellor, gave no firm indication of bow the Government would eventually decide. But be said that it continued to recognise "the importance of the maximum feasible involvement of UK companies and of ensuring a higb UK content in tbe system."

No deadline has beeo set for completion of the review. But the apparent inteotion is that its main conclusions should be svailable within a few mooths, certsinly before the end of the year.

The timing is critical becausa the Government is obliged, under EEC and General Agreement on Tariff and Trade commitments, to dismantle at the start of next year its preferential policy of awarding all big computer projects automatically to ICL, and to open up bidding to foreign companiea.

The decision to delay awarding the contract was taken on Thursday morning, and follows a long-drawn-out disagreement between the Treasury and the Departments of Trade, Employment and Industry over allocation of the contract.

At Thursday's meeting the Treasury was still extremely reluctant to give the job to ICL, despite arguments of other Ministers and the Prime Minister's own belief that it

Continued on Back Page
Background Page 3
Lex Back Page

Fair trading office may probe Raleigh Industries

BY DAVID CHURCHILL AND RAYMOND SNODDY

RALEIGH INDUSTRIES, the bicycle-manufacturing subsidiary of Tube Investments, is likely to be investigated by the Office of Fair Trading for refusing to supply cut-price retailers.

The investigation, axpected to be announced next week, will be one of the first two probes into anti-competitive practices by single companies under the new Competition Act. The second investigation is likely to involve a small industrial company.

The OFT is expected to annonnce two furthar investigations next month, in line with its target of conducting four investigations at a time under its new powers.

The OFT will take three months to establish wbether the alleged anti-competitive practice exists. If so, it can then refer the company and practice to tha Monopolies and Mergers Commission for a formal six-month investigation.

It is then up to the commission to determine wbether the practice is against the public interest.

If the commission recommends the practice be abandoned, the Trade Secretary has powers to enforce the commission's findings.

The expected investigation of Raleigb follows allegations by msjor retailers—including Tesco and the Argos and Comet discount stores—that Raleigb refused to supply them with its main Raleigh brand. Instead, Raleigh will supply only its Sunbeam range, whicb bas none of the promotional backing of the Raleigh name.

Raleigh's refusal to supply major retail chains is based on two factors. One is concern that to do so would erode tha competitive position of independent bicycle-retailers, who sell the bulk of Raleigh's output in the UK.

Second, Raleigh is worried that large retail chains cannot provide the same specialist advice as a small bicycle dealer.

Although manufacturers are not allowed under existing legislation to dictate the selling price of tbeir product by refusing to supply certain retailers, it has proved difficult to eoforce the law.

Even Yardley, the BAT Industries cosmetics susidiary, is refusing to supply Argos, wbich is also a BAT susidiary, according to Mr. Tom McAuliffe, Argos's chairman.

However, the OFT bopes that an investigation under the new Act will more easily establish whether or not such action is in the public interest.

Raleigh said yesterday it believed it bad "the right balance of market-coverage as things stand." Argos, meanwhile, yesterday claimed it was being forced to import thousands of West German bicycles because Raleigh would not supply it.

Mr. J. M. Phillips, BAT Stores Holdings managing director, yesterday said Argos was worried hy the fact that British products were increasingly not available at competitive prices—or not available to Argos at all. Only Revlon among msjor cosmetics manufacturers is prepared to supply Argos.

According to Mr. McAuliffe, Yardley's refusal to supply the company was "because of their commitment to Boots."

Argos listed Sbakespeare (the fisbing-rod brand-leader), Dunlop Slazenger, Carlton (the squash-racket manufacturer) and Duohill as other British companies refusing it supplies.

Woolworth to buy DIY group

BY ALAN FRIEDMAN

F. W. WOOLWORTH is to acquire B & Q (Retail) the do-it-yourself group, in an agreed bid which valnes B & Q at £16.6m. Irrevocable undertakings to accept the Woolworth offer bave heen given by 57.5 per cent of B & Q shareholders.

Mr. Geoffrey Rodgers, chairman of Woolworth, said yesterday that he viewed the deal as a means of diversifying into the DIY trade. "Because of the current hiccough in retailing, our earnings bave not heen keeping up with our assets. Next week's interim figures will be very very poor indeed."

The deal, officially approved by the Woolworth board yesterday morning, involves a cash offer of 85p for each Ordinary share in B & Q, a 25 per cent premium on the 68p share price ahead of tbe announcement. Ordinary shareholders are to be offered the alternative of a loan stock, terms of whicb wili be disclosed in the formal offer document.

Mr. Rodgers said that the goodwill paid by Woolworth came to ahout £13m on B & Q's net assets of £3m. B & Q would remain a separately managed company within the Woolworth group. He promised significant backing for further expansion.

"Woolworth'a already has 8 per cent of the British DIY sector. We will now put our financial and property facilities at B & Q's disposal." He boped to double B & Q'a selling space of 750,000 sq ft in the next three years.

Mr. John Kennedy, finance director of B and Q, welcomed the deal yesterday and descrihed it as an aid to future growth. "With the present recession we would have slowed down our expansion. Now we will he able to take advantage of more opportunities."

Upon the offer becoming unconditional Mr. Rodgers and Mr. Robert Kirkman, finance director of Woolworth, will join the board of B and Q.

B and Q has 35 outlets and is part-owner of two stores in the Channel Islands.

Woolworth's advisers on the takeover are S. G. Warburg and Co. B and Q is advised by Kleinwort Benson.

News Analysis Page 14
Lex Back Page

Spending on defence squeezed

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

A MORATORIUM has been imposed on new defence cootracts for at least three months as part of an attempt to couoteract serious potential overspending on the defence budget.

This followa lengthy and tough hargaining between the Treasury aod the Ministry of Defence after indications first appeared that the £10½bn defence budget might be overspent hy between £600m and £700m in the current financial year unless action was taken.

The result is a compromise. The defence cash limit for 1980-81 is to be increased by £203m but the Department is having to rein hack its apending considerably to keep within this ceiling.

This was announced yesterday by Mr. John Biffen, the Chief Secretary to the Treasury, aod Mr. Francis Pym, the Defence Secretary, in aeparate Parliamentary written answers.

There appears to be some satisfsction within the Treasury about the ontcome despite tbe increase in the defence budget. Officials argue that the major point of principle bas been confirmed that cash limits on money outlays bave primacy over medium-term spending plans in volume terms.

Tbe extra sum will probably be found from the contingency reserve wbich was fixed at an unusually large £1.3bn at the beginning of 1980-81.

The Defence Ministry is clearly relieved tbat there bas been some recognition of its problems though it is likely to face a tight squeeze to keep within what is described ss a "firm ceiling" for 1980-81. There is also a major question about whether defence spending will rise by 3 per cent in real terms this year in line with Britain's commitmeot to NATO.

The difficulty became apparent because of a sharp rise in defence speoding betweeo April and June. This was partly s result of the recession since contractors have been making faster progress with orders and submitting their hilla more promptly. Equipmeot prices have also increased more rapidly than expected.

Tbe first response was to cut over £100m of speoding oo existing programmes to offset the overspending. These cuts bave now been increased to £250m.

The moratorium is on top of these. Mr Pym said yesterday that this halt would initially be for a period of three months.

It is possible that the moratorium may have to be extended and further cuts in existing programmes made in the autumn, depending on a further review of the prospects then.

Tbe moratorium will apply across the board, apart from a few essential exceptions, and will cover works projects and purchases of stocks and stores, though food is specifically excluded.

The saving of £250m of projected overspending is being achieved in a similar way. The action includes cuts in an order for spares on the Blowpipe anti-aircraft missile system, and the postponement of orders for new furniture for service accommodation and offices.

Part of the adjustment of the cash limits is tbe result of the previously agreed decision to allow for the full additional cost of the armed forces' pay award (£54m) above earlier assumptions.

A further addition of £200m in the light of current international considerations and the priority attached to the defence programmes bss ben offset by a deduction of £50m in respect of defence overspending above cash limits in 1979-80. The net increase will thus be £203m.

Shares in Vosper and Yarrow fall sharply

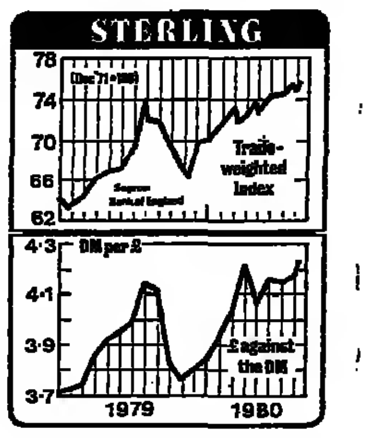
BY OUR SHIPPING CORRESPONDENT

THE SHARES of Vosper and Yarrow, the two former warship huilders, fell sharply yesterday as the stockmarket digested the news that the Government was not going to improve their compensation terms nor return their nationalised shipyards.

Shares in Vosper, which is largely owned by David Brown Holdings, fell by over a quarter to 133p and the Yarrow share price dropped by a fifth to 230p. Tbere is a narrow market in both shares. Vickers shares dropped 4p to 122p.

However, most of the companies involved in negotiating compensation terms with the

Continued on Back Page



Pound at 5½-year high

BY DAVID MARSH

STERLING ROSE yesterday to its highest overall level for about 5½ years and gilt-edged stocks rallied further from Wednesday's lows at the end of a stormy week on the financial markets.

Foreign investors are continuing to move funds into the pound in the belief that UK interest rates will not fall for at least another month or two following the surge in the July money supply figures.

The gilt-edged market, on the other hand, is drawing comfort from the Bank of England's large-scale help to the banking system on Tbursday, whicb is seen as at least preventing any imminent rise in short term rates.

The trade-weighted index of the pound's value against a basket of other currencies, as calculated by the Bank finished at 75.5, its highest closing level since early 1975. This was up 0.2 points compared with Thursday, althongh below the opening 75.7 nf yesterday morning.

Sterling gained 0.15 cents to $2.3720 and also rose against Continental currencies.

Against the Deutsche Mark, which is still rather weak within the European Monetary System, sterling finished 0.75 pfennigs up at DM 4.2350, its highest for nearly four years. The dollar was slightly firmer against the main Continental currencies.

London money market rates were slightly easier, althongh the average rate of discount at the weekly Treasury bill tender rose to 14.96 per cent from last week's 14.71 per cent.

Long- and short-dated gilts rose by about £¾. Following on from Thursday's gains, issues bave now largely recovered the ground lost earlier in the week. The 11¾ per cent partly paid tap stock Treasury 1991 A, rallied by £⅞ to £18⅞—the same price at which it was trading on Friday last week.

Money Markets, Page 19
Lex, Back Page

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Excheq. 11¾pc 1984	£94¾	+ ⅞
Treas. 11¾pc 1989	£92	+ 1
Treas. 11¾pc 1991 A (£20 pd.)	£18⅞	+ ⅞
Assoc. Brit. Foods	110	+ 4
B & Q (Retail)	82	+ 14
British Sugar	252	+ 10
Gray Elec.	48	+ 6
British Land	92	+ 4
DRG	93	+ 5
Europen Ferries	184	+ 5
First Nat. Finance	26	+ 2½
GEC	482	+ 8
Int. Timber	108	+ 5
Initial Services	188	+ 10
Land Securities	363	+ 7
MFI	49	+ 3
Redland	174	+ 8
Regional Props. A	138	+ 8
Rush & Tompkins	216	+ 10
Sketchley	285	+ 6
Sothebys	432	+ 15
Taylor Woodrow	473	+ 13
Wholesale Fittings	775	+ 50
Candecca	198	+ 12
LASMO	694	+ 19
Anglo-Am. Gold	£41¾	+ ⅞
Pancontinental	360	+ 20
St. Helena	£19⅝	+ ⅞
Winkelhaak	£13¾	+ ½

FALLS

ML Holdings	315	− 8
Norton & Wright	80	− 10
Vosper	133	− 50
Wheway Watson	11	− 3
Yarrow	230	− 60
Kloof Gold	£14¼	− ⅞

CONTENTS

For latest Share Index 'phone 01-246 8026

Anderson 'to maintain' his candidacy

BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON

Roger Taylor

Mr. Anderson, independent candidate for the U.S. Presidency in pensive mood during his visit to London last month

CONGRESSMAN John Anderson from Illinois is now denying that he will give up his independent candidacy for the U.S. Presidency if Senator Edward Kennedy wins the Democratic Party's nomination next week.

On Thursday of last week, after a meeting with the senator, Mr Anderson said it would be "prudent" to reconsider his position if somebody other than President Jimmy Carter became the Democratic candidate. He said then that a main reason for his independent bid was because he objected to the process which looked like giving the country a choice between Mr Carter and Mr Ronald Reagan.

But a week later, in Pittsburgh, Mr Anderson said he would stay in the race regardless of what happened in New York next week at the Democratic convention. He added that he had struck no secret deals with Mr Kennedy and that the purpose of their meeting was simply to try to reach out for support from Democrats.

The liberal Kennedy wing of the Democratic Party represents fertile ground for Mr. Anderson. But if the Senator loses to Mr. Carter next week, and, as a good democrat, calls for unity behind the President, then Mr. Anderson's harvest could be much less rich and his candidacy in trouble.

Most recent public opinion polls have shown the Anderson support holding steady at about 20 per cent. In some States, California for example, local surveys even put him ahead of Mr. Carter. This is no mean achievement given the fact that he has found it difficult to attract attention to his campaign while the republican and democrat intra-party dramas have been played out.

But the expectation remains that with the national consciousness focusing on the two main party candidates as the November election draws closer, Mr. Anderson will find himself squeezed out.

Mr. Anderson added in Pittsburgh than he never thought that Senator Kennedy had a chance of winning the Democratic nomination. A series of surveys of delegate sentiments are pointing ever more firmly in the direction of a Carter victory next week.

Undeterred, however, Mr. Kennedy yesterday moved his campaign operations up to New York for a last ditch effort to woo delegates. According to most counts, the President has 1,985 delegates on his side, to 1,243 for Mr. Kennedy and 103 uncommitted.

Tekere guards on murder charge

By Our Salisbury Correspondent

SIX FORMER guerrillas from Mr. Robert Mugabe's Zanla army were yesterday charged with the murder last Monday of a white farmer near Salisbury. They were remanded in custody until August 20 along with Mr. Edgar Tekere, the Minister of Manpower Planning and Development, and Secretary General of the ruling Zanu-PF party, who was arrested on Wednesday and charged with the same murder.

The prosecution said that the six men, all Mr. Tekere's bodyguards, were "part of the armed group" that attacked Stamford farm last Monday resulting in the death of Mr. Bill Adams.

The prosecution opposed bail on the grounds that the accused, if released, "would abscond to interfere with state witnesses. Further accused are still outstanding" the prosecuting lawyer said.

Detail judgment will be published next Wednesday after the long holiday week-end. Zimbabwean whites appear reassured by the absence of political intervention in the Tekere case.

Man of the Week Back Page

Begin in row over security service chief's departure

BY DAVID LENNON IN TEL AVIV

ISRAEL'S Prime Minister, Mr. Menahem Begin, yesterday denounced as an "odious calumny" a report that the head of Israel's General Security Services had resigned because, the Premier had allegedly delayed the investigation into assassination attempts against three West Bank mayors in June.

It is widely believed that the car bomb which seriously injured two mayors and blinded a police sapper were planted by Jewish extremists, but so far, the security services have failed to produce any suspects.

A report in the Washington Star claimed this week that Mr. Begin had refused to permit the security chief to arrest members of the Gush Emunim settlement movement whom, it was alleged, were suspected of being involved in the bombings. security services believe the According to the paper, the bombs were planted by six members of Gush Emunim operating in two groups.

The head of the security services, or Shin Beth as it is usually called after its Hebrew initials, gave a nunprecedented interview to Israel Radio yesterday to deny the newspaper report.

The security chief, whose name it is forbidden to report, said hed preferred his resignation before the car bombing because he had already spent 31 years in the security services, the last six as director.

The publicity over his retirement, he said, was the work of a political rival of the Premier "whose motives are neither genuine nor honourable."

Despite these denials, a number of politicians have called for a Parliamentary or judicial inquiry into the circumstances of the security chief's retirement.

The Palestinians on the West Bank said from the outset that they did not expect the Israeli authorities to search very vigorously for the culprits, despite statements that this would be the most thorough investigation carried out by the Israeli authorities.

The doubts in the minds of the Palestinians were strengthened by claims that neither the mayors who were attacked nor their families were ever questioned by the security forces, or asked to give any statement about whether they had seen or heard anything suspicious during the night the bombs were placed in their cars.

The latest allegation has been greeted among the Palestinians as further evidence in their eyes that Israel is not over-keen to catch the car bombers.

Saudis release two Britons

BY JAMES BUCHAN

THE LAST major diplomatic cloud over Saudi-British relations has disappeared with the release of two British citizens held in Saudi Arabia since May last year.

Mr. Richard Arnot, a surgeon at a private Jeddah hospital, and his wife Penelope, arrived back in Britain early yesterday.

Mr. Arnot had been facing a jail sentence of one year and 30 strokes of the cane, and his wife 80 strokes for alleged offences relating to a party at their house in which a British nurse and a Dutch seaman died.

The Foreign Office yesterday welcomed the "friendly" gesture of the Saudi Government in releasing the Arnots. The Saudi Interior Ministry refused to confirm the sentences handed down by the Jeddah High Court last March, in a clear indication that the Saudis felt that the diplomatic rupture between Britain and the Kingdom had lasted long enough.

A visit to Riyadh by Lord Carrington, British Foreign Secretary, towards the end of this month can now proceed in a more cordial atmosphere.

The chief cause of poor relations was the showing last April on British television of the film, Death of a Princess, which reconstructed the background to the execution of a Saudi princess in 1977. The British Ambassador, Mr. James Craig, was asked to leave and British companies complained of unofficial commercial sanctions.

Mr. Douglas Hurd, Foreign Office Minister, visited Riyadh last month and found that the Saudis were willing to invite Mr. Craig back. He also raised the question of the Arnots.

S. African gold reserves rise

By Bernard Simon in Johannesburg

SOUTH AFRICA witheld a substantial quantity of its gold production from international markets during July, the Reserve Bank confirmed yesterday.

The bank's gold holdings totalled 11.789m ounces on July 31, almost 450,000 ounces higher than at the end of June. Technical factors accounted for part of the increase. Gold reserves amounted to 10m ounces at the beginning of the year.

The Reserve Bank, which acts as the mines' sales agent, has been selling less than their full output for almost a year. Mr. Owen Horwood, Finance Minister, said in March that the strength of the balance of payments allowed the authorities temporarily to forfeit some foreign exchange by witholding a portion of current production.

South Africa's total foreign reserves reached a new record of R5.9bn (£3.3bn) at the end of last month, the Reserve Bank said.

Syria extends dissident amnesty

BY OUR DAMASCUS CORRESPONDENT

PRESIDENT Hafez al Assad has extended the amnesty to Moslem Brotherhood dissidents that was to have expired on Thursday for another 20 days until August 27.

His decision came as a surprise after assurances from senior officials that there would be no postponement and that the opposition would face death at the hands of the security forces.

The Moslem Brotherhood has been leading the armed insurrection against the regime of the Arab Baath Socialist Party.

The change of mind came "after many Moslem clergymen and many citizens and Governors demanded this grace," according to the Syrian Arab News Agency. It added that many numbers of the Moslem Brotherhood "were surrendering to the authorities and receiving pardon."

The decree was issued only two hours before the deadline.

Syrian officials yesterday published the names of 137 members of the banned organisation who had renounced their membership and surrendered to the authorities in various parts of the country. Twenty were from the central Syrian town of Hama, the stronghold of the Moslem Brotherhood. This is the first time that people from Hama had turned themselves in. In all, some 600 people are said to have given themselves up.

Brazil reaches 107% record inflation rate

By Diana Smith in Brasilia

BRAZIL'S year-on-year inflation reached a record 107.6 per cent in July—the worst rate in history. The monthly July increase of 8.4 per cent was the worst since 1963.

These official figures were released on Friday by the Getulio Vargas Foundation, which compiles Brazil's inflation statistics. In June, year-on-year inflation had reached 99.2 per cent — again an all-time record.

The Vargas Foundation claims that rising oil, food, chemicals and construction material prices were the main culprits for July's inflation.

Despite credit squeezes, industrial price controls, severe cuts in public spending and increased agricultural output that should have brought down food prices by now,

GM to contest allegation it concealed engine flaws

BY OUR NEW YORK CORRESPONDENT

GENERAL MOTORS said yesterday it would fight through the courts an allegation by the U.S. Federal Trade Commission that it bad misled customers about problems in the engine and transmission of over 4m cars built since 1977.

The commission has issued an administrative complaint which will be followed by a hearing before an administrative law judge. His decision may be appealed back to the commission.

The case can then go into the federal courts if either side wishes. The commission will probably seek an order forcing GM to tell customers about potential defects and may also seek compensation for the losses to GM's customers.

The commission's complaint is similar to allegations it made against Ford, which were settled four months ago with a promise by Ford to provide information to customers that the commission had requested.

At the heart of the case was an accusation that Ford had been aware of problems in certain components and had secretly instructed dealers to repair these parts free of charge beyond normal guarantee periods rather than disclose the manufacturing defects to all customers.

Ford's accommodation with the commission is regarded as a precedent to what would be an even more expensive agreement by GM.

Ford may well have felt that its best policy was to settle and avoid publicity, as it was still sueffring the ill effects of a trial for criminal homicide after an explosion in one of its smaller cars, the Pinto.

Clean-up costs soar at Three Mile Island

By David Lascelles in New York

THE OWNERS of the Three Mile Island nuclear plant said yesterday that it will take considerably longer and cost much more than at first thought to restore the crippled reactor to working order.

Latest estimates by General Public Utilities are that it will cost $760m and take until late 1985 to finish the task. The previous estimate, made last year, was $400m.

The increase follows the recent inspection of the inside of the plant, to which engineers were only able to gain access more than a year after the accident occurred. Some of the radio-active gas has also been vented into the atmosphere.

The new $760m estimate consists of $500m to clean up the plant and $260m to get it back into working order. GPU has insurance worth $300m

Dice fall against striking Nice croupiers

THE CROUPIERS at Nice's most elegant casino are perplexed. They claim they have been penalised for following the instructions of M. Raymond Barre, the Prime Minister, who once told the growing ranks of jobless Frenchmen that instead of sitting around they should set up in business. David White reports from Paris.

The croupiers, who have been occupying the Palais de la Mediterranée casino ever since it was declared bankrupt almost two and a half years ago, did just that. Last month they re-opened the bar, re-named it "Solidarity Bar" and started undercutting all the other cafés on Nice's famous Belle Epoque waterfront.

Seventy-five of the former 300 employees have stayed on in the closed casino, living on unemployment benefit. They opened the bar in order to boost their strike fund and bring their ease to the throng of summer visitors.

But this week they decided to close it down before the police came in. They had come under pressure from the Receiver responsible for the Palais and — more tellingly — from the town's café and restaurant owners, who wield a lot of influence in the town hall.

The showdown at "Solidarity Bar" has helped to revive a long-running casino scandal, in which many claim to find a link between leading local personalities and the Mafia.

The scandal began when the owner of the casino's modern rival, The Ruhl, gained control, by means which have since been the subject of lengthy legal proceedings. The Palais' chairwoman, Mme. Renee Le Roux, saw her own daughter swing the vote against her, and then had to stand by and watch while the new owners broke the casino's bank in just six months. The Palais was closed, with its loyal croupiers inside it.

Both the main protagonists have since disappeared. Mme. Le Roux's daughter vanished without trace. The Ruhl's well-connected boss, M. Jean Dominique Fratani, who had to give up his business when the authorities went after him for a tax debt, is said to have surfaced in Switzerland. The Ruhl, under new management, recently re-opened. Given half a chance, the chance, the croupiers at the Palais are itching to do the

The Nice Waterfront, where rival cafeowners forced the closure of the "Solidarity Bar"

French Communists stage season of labour conflict

BY DAVID WHITE IN PARIS

LABOUR conflicts are coming to the boil in different parts of France as the powerful Communist element in the country's trade union movement stages its annual attempt to fill the political vacuum while most of France is on holiday.

With the familiar promise of a "hot autumn," unionists are organising a string of sit-ins and are pressing to bring the disputes.

In Boulogne, France's main fishing port, a stalemate between trawler companies and their 700 seamen has brought angry protests, occupation of harbour facilities, and long delays for cross-Channel tourists. The conflict, in which employers are proposing to reduce crew levels and to dock pay in order to make ends meet, threatens to spread.

A solution is no nearer in a dispute which is holding up work on France's new high-speed railway line south of Paris. Talks on pay and conditions at a sub-contracting company broke down again this week over the question of whether sacked strikers should be reinstated. The dispute has been going on since the beginning of June.

In the strongly Communist Paris suburbs, a leading machine-tool company, Dufour, is occupied by workers campaigning to stop the business being wound up.

At Saint-Etienne, near Lyons, a further sit-in is threatened at Manufrance, a firearms company and retail chain which has been staving off bankruptcy for three years. A joint union committee has recalled members from holiday to stand by when the Board meets next week to discuss conditions for Government aid.

At the main Renault car works near Paris, members of the Communist-led CGT union have been demonstrating over the dismissal of a shop-steward for his role in a previous conflict in 1977, when the company's chairman and two top executives were held prisoner. The union demanded an audience with M. Raymond Barre, the Prime Minister, but was told to see the man responsible for approving the dismissal, Labour Minister Jean Matteoli.

The CGT has agreed to go along to the talks, stating that it will include the sacked man in its delegation.

Coinciding with the CGT campaign, the French Communist Party has condemned the "batchet blows" being delivered on French industry and called for a FFr 30bn (£2.1bn) levy on wealth and profits

Miners spurn compromise

BY PATRICIA NEWBY IN CANBERRA

A DISPUTE between the Australian Government and Queensland coal miners which halted millions of tonnes of coking coal exports from the rich Bowen basin for six weeks, reached an impasse yesterday when the miners rejected the Government's compromise settlement offer.

At the same time the Japanese steel mills, the main customer for the coal, protested strongly about the strike, and Australia's industrial relations, to Mr. Philip Lynch, Australian Minister for Industry and Commerce, who is visiting Tokyo.

The Japanese told Mr. Lynch the strike could not have come at a worse time, as a number of Australian coking coal projects are awaiting Japanese signature on long-term contracts before starting development.

The veiled threat was that if Australia's industrial relations in the mining industry did not improve, Japan would buy elsewhere. The steel mills are in fact buying coal on the spot market, partly because of the Queensland strike.

Whether the Japanese can actually find sufficient alternatives for Australian coal is debatable, but there is no doubt that the Japanese are becoming tired of hold-ups in Australian commodity exports because of strikes. It was the major concern raised by the Japanese in the Australia-Japan coal talks earlier this year.

The latest strike follows a protracted coal strike in New South Wales earlier this year and an 11-week strike by storemen and packers which held up wool exports for 11 weeks.

The present dispute centres on the Federal Government's plan to tax miners on subsidised housing provided by the U.S. coal company, Utah, Australia's biggest coal mine concern.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates $365.00 per annum. Second Class postage paid at New York, N.Y., and at additional mailing centres.

UNIT TRUST AND INSURANCE OFFERS

British domestic gas prices 'still lowest in EEC'

BY RAY DAFTER, ENERGY EDITOR

BRITAIN HAS the lowest domestic gas prices in the EEC, Mr. Norman Lamont, junior Energy Minister, told Parliament yesterday.

Mr. Lamont produced figures to show that the gas bills of Londoners are less than half of those in Paris and almost a quarter of the charges faced by people living in Copenhagen.

The costs, calculated on January 1, related to annual consumption levels of 800 therms—about the amount needed to run a central heating system for a three-bedroom semi-detached house.

The Minister's statement is the latest salvo in a growing debate over energy pricing in the UK. Mr. Lamont has already angered big energy-using sectors of industry by claiming that, on average, UK companies are paying no more for their gas than their European competitors.

During the past week, this claim has been rebutted by a number of processing industries—among them steel, paper, chemicals, clay and food manufacturers—which have complained that they are being penalised by high gas prices.

The latest domestic price comparisons indicate that UK industry is contributing more to the British Gas Corporation's profits than household customers. This was confirmed last night by British Gas.

The corporation commented: "As the Price Commission's report on the gas industry said last year, all our profits have been coming from industrial sales in recent times, and the domestic side has only been breaking even. It is only now, with the new Government pricing policies, that we are beginning to redress the balance."

An annual consumption of 80 therms—enough to run a gas cooker for a year — costs Londoners 31.7p a therm at the beginning of the year, as against 39.3p in Rome, 70.7p in Brussels, 80.2p in Paris and 102.7p in Copenhagen. With the April price increase, Londoners are paying 46p a therm.

A further 10 per cent price rise is to be introduced by British Gas in October, and the Government has said that domestic consumers can expect annual price rises of 10 per cent above the inflation rate during the next three years.

DOMESTIC GAS PRICES
(pence per therm)

	Annual Consumption 80 therms	800 therms
Dusseldorf	81.6	39.6
Paris	80.2	45.0
Rome	39.3	36.4
Rotterdam	41.2	26.0
Copenhagen*	102.7	77.7
Brussels	70.7	33.8
Luxembourg	69.3	25.4
Dublin*	73.5	57.8
LONDON	31.7	19.7

* Prices for town gas only.

Note: January 1, 1980, prices with national currencies converted at exchange rates on December 31, 1979.

Source: Statistical Office of European Communities

The decision on computerisation of tax assessment has several implications

Computing the alternatives

BY GARETH GRIFFITHS

BRITAIN'S Pay As You Earn system, once described as the Rolls-Royce of tax-collecting machinery, has come under increasing criticism because of both its rising costs and a high proportion of assessment errors.

The Inland Revenue has been planning to refute those criticisms and improve its operations by introducing a computerised PAYE assessment by the late 1980s.

Sir Geoffrey Howe, the Chancellor of the Exchequer, yesterday said the Government now felt there should be a study of alternative approaches to the computerisation scheme already drawn up. It was worried over a high risk of unforeseen problems cancelling out expected gains.

The UK is one of the few European countries without a computerised tax system and tax officials say that a more sophisticated approach to personal tax is seriously hampered as a result.

What the Inland Revenue wants to see is a situation whereby the Chancellor can announce structural changes in tax during a Budget speech and the individual adjustments of rates stemming from that speech can be made within a few hours.

The original plan for 12 sophisticated regional computer centres meant that eventually the Government would have been able to introduce complex changes to the tax system with little difficulty.

Potential changes included introduction of tax credits, or even a local income tax, rather than the rating system. However, the new study announced by the Chancellor implies that completion date will be pushed well back from the 1986-88 date planned, while the end-product may be considerably less sophisticated than the Revenue had wanted.

The Goverment's own long-term fiscal plans had depended on this greater flexibility at the Inland Revenue. At present the 35,000 PAYE staff work out assessments manually on individual cards, known as "con" cards, for 26.5m PAYE accounts.

However, evidence before the Commons Public Accounts Committee suggested that 27 per cent of tax returns were incorrectly processed. Sir Lawrence Airey, Inland Revenue chairman, said in May that an internal check in 43 of the 580 PAYE tax offices suggested that 12 per cent of codings were inaccurate and 24 per cent of returns contained errors.

The Revenue has since taken on an additional 60 inspectors to check errors. The survey showed that the mistakes were generally in favour of the taxpayer and led to underpayments of tax of £25m and overpayments of £18m.

Sir Lawrence is disturbed at what he calls the unsatisfactory level of errors. PAYE assessment is one of the Government's main financial props and this year is expected to raise about 85 per cent of the £24bn from income tax.

The Inland Revenue completed a review of its PAYE assessment procedures in March last year. The internal report highlighted the need to reduce the continual involvement in coding changes.

It suggested self-coding and the non-cumulative system of deductions and fixed percentage deductions of wages and salaries as they are paid.

Critics of the Revenue, including Tory backbenchers, have complained at the rising cost of tax-collection. The figures for 1978 to 1979 show costs rising by 12.9 per cent to £480m and that for every additional £100 collected £2 was spent on collection costs.

Many Conservatives and industrialists would like to see a switch over to self-assessment on the American model. The Revenue has studied this, particularly for company taxation, but points out it simply shifts tax assessment from civil servants to accountants. British tax-payers who have professional help with their income-tax forms, comprise 10 per cent, compared to 50 per cent of American tax-payers.

The most embarrassing result for the Government, however, will be borne by Mr. Michael Heseltine, Environment Secretary. His decision last June to scrap rating revaluation reflected the Prime Minister's keenness on abolishing domestic rates. Any introduction of local income tax to replace rates as a source of local finance depends on availability of a large-scale computer operation.

Quicker systems sought by taxmen

BY GUY DE JONQUIERES

THE COMPUTER system sought by the Inland Revenue is intended to improve the administrative efficiency of the tax system by automating a variety of operations now carried out mainly by hand.

Ideally, it would speed up the processing of raw tax returns; simplifying the task of altering taxpayers' coding to reflect changes in fiscal policy; allow information to be fed into and retrieved from the system more rapidly; and make it easier for taxpayers' files to be moved quickly from one place to another.

The 24m PAYE taxpayers are assigned to tax offices according to their employers, not on the basis of where they live. Thus a husband and wife who both work are often dealt with by different offices, and an employee who changes his job will probably also have to change tax office as well.

The particular system which the Inland Revenue wanted, and which has now been shelved, would have replaced paper files with up to 20,000 computer terminals, linked to a dozen regional data processing centres. Each centre would have been linked, in turn, by means of a complex data network.

This solution would, the Revenue believe, have met most of its requirements. But it had drawbacks. One is that it would probably have required the construction of expensive new buildings to house the data processing centres.

An alternative approach, likely to be explored in the coming months, would be to decentralise the system further by equipping each tax office with its own mini-computer, eliminating the idea of regional centres. Each office would hold the files of taxpayers under its jurisdiction and would be connected to the others by a communications network.

A second option would be to abandon the idea of planning the whole system from the beginning and to implement it instead, step by step, pragmatically. That would enable each stage to be adapted in the light of the Revenue's evolving requirements and of changes in technology.

British Steel threatens to import all coking coal

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

THE BRITISH Steel Corporation has threatened to import all its coking coal next year unless the Coal Board brings its prices into line with foreign coal.

The current agreement between the two industries, made earlier this year, is for British Steel to import 4m tonnes out of its expected 9m tonnes total. BSC's tough stand on the price it pays for coking coal could lead to protracted negotiations with the Coal Board.

The Coal Board, recognising BSC's financial problems, says it hopes that some compromise can be worked out for 1981. But it has reminded British Steel that it buys around £250m worth of the corporation's steel.

The implication is that the Coal Board could also resort to steel imports if British Steel decided to go ahead with its threat.

The Coal Board also argues that it has invested heavily in expanding coking coal supplies to meet needs projected by British Steel in the early 1970s. Furthermore, it is already subsidising coking coal sales to the extent of £22m this year.

British Steel's imports of coking coal have been rising in spite of the fact that its total coal intake is declining.

British Stel started talking tough with the Coal Board before the arrival of Mr. Ian MacGregor, the new chairman. But Mr. MacGregor intends to carry the row further to the price that it has to pay for electricity, gas and fuel oil.

BSC wins court order to stop Sunday Times story

BY OUR INDUSTRIAL CORRESPONDENT

THE BRITISH Steel Corporation was granted a temporary injunction against Times Newspapers in the High Court yesterday to stop publication in the Sunday Times this weekend of information from confidential BSC documents.

The injunction was granted by Mr. Justice McNeill during an hour-long private hearing in London at which both sides were represented by counsel, and is effective until Tuesday. Times Newspapers will then have the opportunity of stating its case more fully.

Mr. Frank Giles, deputy editor of the Sunday Times, said last night that he hoped the injunction would be removed on Tuesday, allowing publication of the story on BSC to go ahead on August 17. He added that the story was a follow-up to the World in Action programme on BSC put out by Granada Television earlier this year.

"A new set of BSC documents came into our possession, and we told BSC about them in order to establish their authenticity."

BSC's embarrassment and annoyance about the "leaks" has led to a determination to pursue the matter through legal channels.

Tractors give boost to Massey

By Lorne Barling

MASSEY-FERGUSON has won two export orders for tractors totalling $120m (£51.5m), to be supplied mainly from its Coventry plant, enabling output there to be boosted at a difficult time for the company in world markets.

The larger order is for the delivery of 6,000 two-wheel drive 70 and 80 hp tractors to Iraq, a sensitive market for Britain recently, and one where Massey-Ferguson believes it has made a significant breakthrough.

"The order is particularly helpful at a time when demand is still very depressed in many parts of the world. Deliveries will take place over the next 12 months," the company said.

The second order has been placed by Somalia, which will be supplied with 660 four-wheel drive tractors in the same hp range, to be built at Massey-Ferguson's plant at Beauvais, in France.

However, these will have a considerable UK-made content, since they will be powered by Perkins engines, as will the tractors for Iraq.

Marconi wins aviation order

A DEVELOPMENT contract with follow-on production orders, which could be worth more than £42m, has been placed by the U.S. Air Force with Marconi Avionics, part of the GEC group, writes Lisa Wood.

The order is for aircraft head-up display systems for two of the U.S. Air Force's most recently introduced aircraft, the F-16 and the A-10.

Trade statistics

THE TRADE Department will publish July's overseas trade statistics on August 18 and not on August 15 as previously announced. The need to undertake additional computer processing work at the Customs Statistical Office in Southend is blamed for the delay.

£14m 'bandage' for fishing industry

BY RICHARD MOONEY

THE GOVERNMENT'S announcement of £14m extra aid for Britain's hard-pressed fishing industry was given a far from rapturous reception by industry leaders yesterday.

"It would be churlish not to acknowledge the achievement of Mr. Peter Walker (the Agriculture Minister) in wringing more money out of the tight-fisted Treasury," said a British Fishing Federation official. But he said the figure, announced in Parliament on Thursday night, was well below the £35m the industry needed to make up for expected losses in the second half of this year.

"We have been given half a loaf," he said. "This may be better than none but in fact it simply means we shall starve more slowly."

The extra money, which brings UK fishing industry aid to £32.9m this year, could save some companies from bankruptcy and avert the sale of vessels out of the industry but many vessels currently laid up would not put to sea again this year, the BFF stated.

This was likely to result in a further loss of human resources as fishermen gave up fishing for other work. The federation also feared it would reduce Britain's negotiating capital in the marathon struggle for an equitable EEC common fisheries policy.

Scottish fishermen, who last month staged a token "strike" to express their anger at the industry's plight, were also disappointed with the aid figure. "We asked for a blood transfusion and we got a first aid bandage," said Mr. David Aitchison, chief executive of the Scottish Fishermen's Federation. Meetings were held throughout Scotland yesterday to consider whether to repeat last month's protest.

This is the second block of extra aid given to UK fishermen this year. In March the Government granted £3m—£1m to finance exploratory voyages for new fishing grounds and £2m to support quayside prices.

But the flood of cheap imports, resulting mainly from the strength of sterling, caused Scotland's share of the support fund to run out last month. It was the subsequent collapse of quayside prices which sparked off the fishermen's strike.

Free travel for staff at Debenhams

By Lynton McLain

FREE TRAVEL on buses and Tubes has been offered to the 2,000 London staff of Debenhams, the stores group, which has given a £1m order for bulk purchase of tickets from London Transport.

The £590 tickets were bought at a discount leaving London Transport with little or no profit, but with the prospect of greater use of its services.

All staff at Harvey Nichols, Swan and Edgar, Debenhams store in Oxford Street and at head office, including the directors of Debenhams, will get the tickets, giving access to unlimited free travel on all the services for a year.

Debenhams was the first large retail group to jump at the chance of offering staff free travel after London Transport launched the idea at a breakfast meeting with more than 40 London companies in June.

The company, pre-tax profits of which fell almost a third to £15.8m for the year to February, hopes the scheme will attract and help keep staff.

Debenham's staff changes completely one-and-a-half times a year.

Thatcher talks sought in Dublin

BY OUR DUBLIN CORRESPONDENT

MR. CHARLES HAUGHEY, the Irish Premier, will invite Mrs. Thatcher to come to Ireland for their next meeting some time in the autumn.

At their last talks in Downing Street, it was agreed that they would hold regular meetings. Preliminary discussions have already begun to arrange a date.

No British prime minister has visited Dublin since the historic visit by Mr. Heath nine years ago on the eve of the ill-fated Sunningdale Agreement.

Mr. Haughey will suggest that it is time for another visit. Although there have been no discussions on a venue as yet, it seems clear that Mr. Haughey would like the British Prime Minister to come to Dublin.

Elinor Goodman writes: Mrs. Thatcher has already indicated that she would be happy to go to Dublin at some point, but yesterday Downing Street had received no specific invitation from the Irish Government.

The Prime Minister is very busy in September, with visits scheduled to Greece, Belgrade and France, and it is difficult to see how she could fit in a trip to Dublin as well, although it is just possible she might be able to find the time in October.

Labour 'Gang of Three' snub Steel

MR. WILLIAM RODGERS, one of Labour's "Gang of Three," made it plain yesterday that he and colleagues, Mrs. Shirley Williams and Dr. David Owen, will reject the invitation by Liberal leader Mr David Steel for talks with the object of offering an alternative government in 1983 or 1984.

Mr. Steel made his offer in a letter to the three in yesterday's Guardian—the paper which carried a letter from the Labour trio last week warning the Labour Party to have no truck with the "autocratic Left."

Mr. Steel wrote: "It is time surely for you to end your dialogue with the deaf and start talking to us.

"Labour has attempted and failed in the past 24 years to sort out its own internal contradictions. . . . We are forced, therefore, to combine if we would succeed."

But Mr. Rodgers almost contemptuously rejected Mr. Steel's overtures. He said: "There is no point whatsoever in having talks. We do not support a centre party, and that includes the Liberals.

"We are democratic Socialists, seeking to save the Labour Party and ensure a convincing alternative government to Mrs. Thatcher's."

Mr. Martin Flannery, MP, chairman of the Left-wing Tribune Group, said that what Mr. Steel was really calling on the "Gang of Three" to do "is to end their dialogue with the deaf and begin one with the dumb."

Housing Act is passed

THE GOVERNMENT'S controversial Housing Bill reached the Statute Book yesterday, authorising the sale of council houses to tenants—many at a considerable discount. Other measures which received Royal Assent included the Health Services Act, the Coal Act and Tenant's Rights (Scotland) Act.

Scepticism over mergers

INDUSTRY as well as the Government needs to be "duly sceptical" about the idea that greater concentration through mergers will automatically bring greater efficiency, Mr. Reginald Eyre, Under-Secretary for Trade, told the House of Commons yesterday, writes Ivor Owen.

He confirmed that the Government does not intend to introduce legislation to give new powers to the Monopolies and Mergers commission. It feels that the shift to a more sceptical approach to mergers could be accommodated within the flexible framework of the existing legislation.

Builders merchants expect slump

BY JAMES McDONALD

BUILDERS merchants have become more pessimistic about their sales prospects for the next 12 months.

An end-June survey by the Builders Merchants Federation shows that 66 per cent of the sample expected to do less business in the six months to the end of the year than in the second half of last year. This compared with only 31 per cent who were pessimistic about the six months ahead outlook in the previous survey at the end of March this year.

Looking ahead to end-June 1981, slightly under 60 per cent of the sample expected a drop in business compared with the previous 12 months. In the previous survey only 34 per cent expected less business.

On a regional basis, builders merchants in the Midlands were the least optimistic, with 76 per cent expecting lower sales over the six months period and 69 per cent less business over the year. Scottish merchants were more hopeful, although those predicting a drop in turnover over the 12-months period rose from 20 to 37 per cent.

Mr. Reg Williams, director of the federation, said: "As we expected, there has been a marked change in expectations since the last survey at the end of March. At that time hopes were buoyed up by the unusually good trading conditions in the first quarter of the year. Now it appears that the recession is beginning to bite harder as new building activity continues to suffer. Consumer spending on home improvement may also be under pressure."

Europe bank loan for Darlington

BY JAMES McDONALD

CLEVELAND Bridge and Engineering—part of the Trafalgar House Group — has received another £5m loan from the European Investment Bank towards the building and equipping of its new £26m heavy engineering works at Darlington, Co. Durham.

The loan is for 10 years at 10.25 per cent and is the second EIB loan towards the project —£5m was advanced in February this year.

The new works, being built on a 39-acre site, are scheduled to come into full operation by mid-1982. They will replace plant developed over the past 100 years and now inadequate for the company's expansion in a field of strong competition and increasingly complex technology.

Although best known for the many bridges it has built around the world, the company also manufactures and erects structural steelworks for power stations, heavy industrial buildings, off-shore platforms and other uses.

Announcing the loan, the EIB said improved productivity at the new works should safeguard jobs at Darlington. "It will also have a favourable impact by helping to stabilise employment at another company works, at Port Clarence, Teesside, which is engaged partly in assembling very large structures produced at Darlington."

Both plants are in development areas hit by labour-shedding by the coal, steel and shipbuilding industries.

Aid to Opposition delayed

BY IVOR OWEN

OPPOSITION PARTIES at Westminster will probably have to wait until November to claim the additional financial assistance which the Government agreed should be provided to them by the Treasury.

The delay results from a tit-for-tat exercise by Tory backbenchers in the Commons early yesterday. This prevented the motion authorising the increase gaining approval before the House adjourned for the summer recess.

The move is a Tory riposte to the guerrilla tactics used by Labour MPs earlier in the week to disrupt the Government's parliamentary programe. It may add to the cash-flow problems of opposition parties but is unlikely to affect the total sum they eventually will receive.

The Government is expected to find time for the motion to complete its passage through the Commons soon after Parliament reassembles on October 27.

Blue Circle to shed 100 jobs

BLUE CIRCLE INDUSTRIES is to pay off more than 100 workers at its cement works near Larne in Northern Ireland, but is proposing a £5m improvement programme which will safeguard the remaining 150 jobs.

The company said yesterday it intended to cease clinker production and close the one remaining kiln which had come to the end of its economic life.

Increased production of cement from imported clinker is planned.

Commons challenge on teachers' pay

BY IVOR OWEN

DR. RHODES BOYSON, Under-Secretary for Education, refused in the Commons yesterday to spell out the reasons for the Government's insistence on a 2½ per cent cut—to 17 per cent—in the comparability pay rise awarded to university teachers.

He was challenged to do so by Mr. Alex Lyon, Labour MP for York, who claimed that, despite the repeated assertions of Ministers that there can be no return to an incomes policy, one is being operated by the Government in the public sector.

Dr. Boyson admitted that the original 19.5 per cent settlement agreed between the university Vice-Chancellors and the Association of University Teachers had been within the cash limits set by the Government.

"Why knock off the 2½ per cent?" asked Mr. Lyon.

Dr. Boyson said the parties to the negotiations knew the reasons, but he was not prepared to go into details in public.

The confidentiality of the Government's side in the negotiations must be maintained, be continued.

Earlier, Dr. Boyson told Mr. Lyon that the fact that the settlement agreed by the Vice-Chancellors was within the cash limit was only one of many factors which the Government had to take into account in formulating its alternative proposals.

It was also necessary to consider whether the proposed increase of 19.5 per cent could be justified.

More UK news
Page 18

Dr. Boyson said the 17 per cent settlement finally agreed late on Thursday compared honourably with other settlements agreed for similar bodies of teachers in the public sector.

Mr. Lyon argued that the treatment received by the university teachers demonstrated that the Government was not only operating a policy of cash limits, but a pay policy as well.

Observer pay talks enter 'delicate, critical' stage

BY NICK GARNETT, LABOUR STAFF

OFFICIALS of the National Graphical Association will report to a meeting of Observer machine-managers, possibly this weekend, the outcome of yesterday's pay talks with the newspaper's management.

Mr. Joe Wade, the union's general secretary, left yesterday's meeting saying that negotiations were at an "extremely delicate, extremely critical" stage.

The management is understood to have examined the union's re-formulated claim, which national union officials said earlier this week represented a compromise, and decided that to meet it would cost virtually the same. In consequential pay demands from other unions, as the claim it replaced.

The management has previously been insistent that it will not move beyond its last offer, and that to settle the NGA's previous claim would cost a further £250,000 in consequential claims from other unions.

In yesterday's negotiations variations on the claim and the offer are understood to have been discussed. It was unclear if this signified some flexibility in the management's position.

The newspaper has issued individual dismissal notices to its staff as a result of the dispute with machine managers over pay related to new printing arrangements. It has set October 19 as the last publication day if no solution is found.

The management's last offer for working the Sautrday-night-to-Sunday-morning shift was £100.13 for a maximum 64-page paper. This is just under £8 less than the claim before it was re-formulated by the union this week.

Steel strike leader sacked for leaving work early

ONE OF last winter's national steel strike leaders has been dismissed from his job at a Scottish steelworks.

Mr. Pat Shevlin, 32, Clyde area secretary of the Iron and Steel Trades Confederation, was dismissed with three other men for leaving work early at British Steel's Clydesdale works in Lanarkshire.

He said yesterday that he and the other three were planning to take the case to an industrial tribunal.

The four left a 12-hour shift four hours early without clocking off or seeking permission.

Mr. Shevlin claimed that they had been unable to clock off because their cards were missing from a rack — and there had been no one around to give permission.

He said: "Whether it's connected with the dispute I would not like to say, but I have my suspicions. If I have not been involved the other three would have got away with it. The minute I was involved, it was curtains."

British Steel said: "Four men have been dismissed for a breach of works rules. There is an appeals procedure which they and the unions can pursue."

ICI pay deals completed

BY NICK GARNETT, LABOUR STAFF

ICI has concluded pay agreements with the last three groups of workers whose wage deals for this year were outstanding.

Union officials representing clerical and administrative staff, scientific and technical workers, and engineering staff have agreed to accept the company's offer, worth 16 per cent, from June 1, on top of an interim 3 per cent from February.

Negotiators for the three groups, which total 16,500, sought an improved pay offer, but the company refused to make increases in its proposals.

These have also been accepted, with some reluctance, by ICI's manual labour force.

THE WEEK IN THE MARKETS

Money supply jumps wildly

The focus of attention this week haa been the gilt-edged market, which has had to contend with the extraordinary July money supply figures. These showed a 5 per cent rise in sterling M3 during a mere four weeks as teh distortions thrown up by the corset scheme, which lapsed at tha end of June, returned to the official figures. The disquieting conclusion was that monetary growth had possibly heen a good deal more rapid than the markets had supposed.

In his absecence of convincing official reassurance, (the money supply, recently pronounced

LONDON

ONLOOKER

"under control", was now said to be "undar reasonable control"), gilts could do nothing hut fall, and fall they did, hy nearly four points in some stocks between Tuesday afternoon and late Wednesday.

On Thursday morning, though, the Bank of England began to try and turn the tide, hy making very large amounts of liquidity available in the money markets. Thia is a curious sort of monetary restraint, hut it has been highly effective —drunk on easy money, and deeply relieved that the authorities are determined that interest rates should not rise. gilts went sharply up again. Equities have heen content to shadow them—the FT 30-Share I n xedn,ylear

Index, nearly 15 points down on the week by Wednesday evening, has recovered half its losses since.

Hollow tubes

April will be marked out aa one of the cruellest months for manufacturers in this and many other years. It was a time of severe and widespread destocking; company after company had heen warning that demand simply dropped through the floor in that fateful month and that subseqnent trading has been equally grim hut the effects only started to come through in reported profits during the week.

Tube Investments is one of the country's largest engineering groups and, sitting astride the capital and consumer goods sectors, its experiences in the first half of calendar 1980 provide as reliahle guide as any to industry's fortunes.

The group appears to have come through the steel strike in reasonahle shape and at the beginning of the second quarter TI was expecting to hold the £30.4m profit achieved in the poor first half of 1979.

In June, however, the group put 4,000 employees in its domestic appliance division on short time working. TI chairman, Sir Brian Kellett, filled in the hackground to the sudden reverse as he announced a £6m interim pre-tax drop. "In the second quarter there was a aharp and severe reduction in UK consumer spending," he said. "The effects on manufacturers was amplified hy the response to the distribution and retail trades to the threat of over-stocking at a time of cash pressures."

That, in a nutshell, is what happened to British industry and there is no sign of recovery. It would take a dramatic turn in the stocking cycle to enahle TI to pull anything worthwhile out of the final quarter but for the time heing TI is confining itself to the observation that the future is very nncertain.

Its 58 per cent owned subsidiary, British Aluminium, was much less inhihited. After a £2m pre-tax profit *drop* at the halfway stage, the company is warning that profit "in the second half is now expected to ha significantly lower than in the first half."

BACO's pessimism reflects the low level of home demand, growing import penetration and, topically, the rising trend of power costs.

It is fortunate, yet in another sense worrying, that what happens in the manufacturing sector, as Lex pointed out several days ago, has less and less hearing on the London equity market.

Musical chairs

The City's sometimes cavalier approach to the engineering sector can produce some interesting share price anomalies. Glynwed, for example, yields almost 15 per cent on an historical hasis which, applying the usual investment yardstick, suggests that the dividend is in danger this year. Yet there is no reason to suppose, on the evidence presented hy the interim figures during the week, that this fear has much substance.

Like TI, Glynwed reacted quickly to the April collapse and cut its inventories. As de-stocking passes hack up the chain from the retail sector, it is the workforce which is left without a chair when the music stops. Short-time working and redundancies increased.

However fast on its feet it may he, the group had no chance of maintaining domestic profits from building and consumer products. The downturn was most marked in the steel stockholding division which, after a mini-boom induced by the BSC strike in the first quarter, sank aharply into second quarter loss. Yet overall profits climbed hy 5 per cent to a little over £9m thanks to swift growth from £800,000 to £2.6m in South Africa. Helped hy recent acquisitions in the U.S. and France, the overseas contrihution now accounts for 29 per cent of trading profits against 19 per cent last year.

The chairman, Mr. Leslie Fletcher, is tolerably confident of sustaining "an acceptahle level of profitahility" and if there is a recipe for endurance in what has come to be described as the second quarter slaughter it should include a healthy measure of market price competitiveness, major overseas involvement, the completion of a successful cost cutting exercise and the elimination, as far as is possihle, of near term deht. Glynwed might say with some justification, that it matches up to these requirements.

Swept away

Just as TI wonders where the next customer for its cookers, kettles and toasters is coming from, the staep fall in consumer spending in April swept away Hoover's tentative indications that profits were finally on the right path.

Its performance in the final quarter of 1979, in which it made £2.1m, and a profit of £1.77m in the traditionally quiet first three months of the current calendar year had led the City to suppose that the effects of aggressive selling, a strong defence of market shares and extensive cost cutting were at last turning the corner.

It was not to be. Hoover lost £200,000 in the critical three months since the heginning of April and, with market shares being surrendered across the hoard, voluma fall away by 20 per cent. Price increases are failing to stick and sales of vacuum cleaners, which have traditionally held up far better than washing machines, came nnder pressure from a wave of cheap imports.

Hoover was not ahle, to cut stocks in time. The debt position at both TI and Glynwed is either down or unchanged since the beginning of 1980 hut the washing machine and vacuum cleaner inventories have risen steeply with the result that Hoover's deht has climhed from almost nothing to perhaps £10m. It is still rising.

Taywood's foundations

Despite a fall in overseas work, the ohvious cuts which a cash conscious Government can impose on puhlic works and the mood of retrenchment among private clients, Taylor Woodrow has heen piling on UK orders. In June this year, the contractor was claiming that its orders had grown hy £200m to £749m in 12 months. The domestic order book had risen no less than 55 per cent.

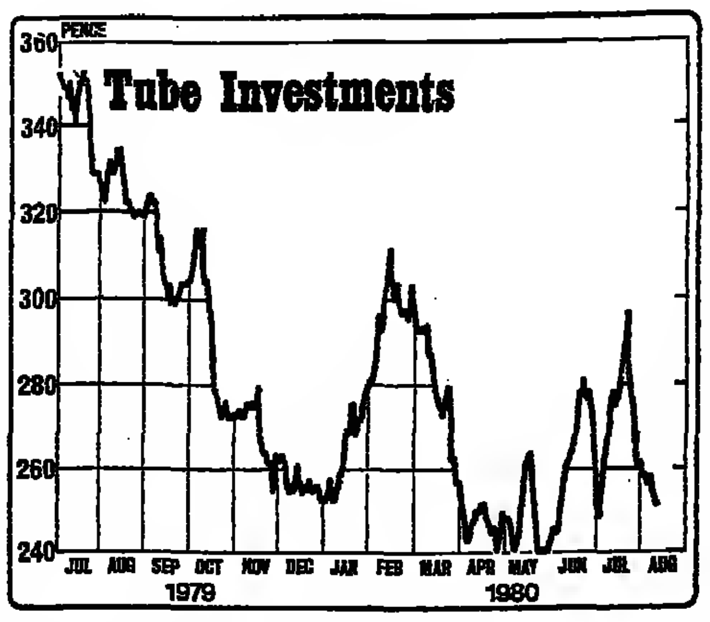
It seemed to defy economic logic hnt the share price was well supported by thoughts of a strong follow through in profits. Adding a thick sugar coating was a growing property portfolio thonght to be worth around 320p per share. The current share price is ahout 460p.

But interim profits unveiled during the week ahowed only 6½ per cent pre-tax growth to £8.16m. Rememhering that the comparahle period was huffetted hy the rigours of "the worst winter for 30 years," the market was rather miffed.

Dealers had perhaps forgotten that a couple of months ago Taylor Woodrow made it very clear that profits were broadly unchanged and margins were under pressure.

Alluding to the rise in orders, the chairman Mr. Richard Puttick, stressed that "it certainly does not follow that our earnings are likely to follow this trend."

"In contrasting," he added, "there are many factors which can influence profit one way or another." Even so, Taylor Woodrow might he expected to hoost last year's profit of £24.6m hy perhaps a teoth and the shares are set to retain something of a premium to the sector in the knowledge that deht is minimal, orders are long (despite margins strain) and the completion of the St. Katherine's dock development will augment property values significantly in the next few years. There is always the possibility that the group will one day consider a re-construction to split its development and contracting activities.



MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1980 High	1980 Low	
F.T. Ind. Ord. Index	481.1	− 6.8	503.1	406.9	Overshadowed by gilts
F.T. Govt. Secs. Index	69.81	− 0.97	72.54	63.85	Lower int. rate hopes dashed
Baker Electronics	107	+16†	112	91	Successful debut
Bassett (George)	42	− 8	82	37	Annual report disclosures
Blue Circle	360	−20	388	238	Gloomy outlook for building ind.
Highland Distilleries	114	−24	148	114	Hiram Walker hid vetoed
Hoover A	147	−25	182	114	Poor interim results
Kwik-Fit	86	+ 8	87	54½	Acquires 180 Firestone depots
Lloyds & Scottish	153	−14	173	117	Reduced hopes for int. rate fall
Malayan Tin Dredging	990	+90	990	485	In front of six-company merger
Marley	87	− 6	98	79	Adverse comment on building in.
Meyer (Mont. L.)	95	+11	120	73	Speculative buying
Milford Docks	133	− 9	187	113	Selling hy dissident holders
Rockware	91	−14	111	81	Workforce redundancies
Rotaprint	13	− 9	34	12	Poor results/rationalisation plans
Sthn. Rhodesia 2½%	£100	−53*	£160	£95	Disappointing settlement terms
Vosper...	133	−37	205	128	Compensation hopes dashed
Woolworth	56½	− 6½	71½	55	Adverse comment/int. next Wed.
Yarrow	230	−60	340	230	Compensation hopes dashed

† Based on Wednesday's opening. * Based on pre-suspension price.

The big ticket

STOCK MARKETS seldom have as good a day as the New York Stock Exchange did on Thursday.

The big institutional buyers waded in en masse, carrying the volume of shares traded on the day to almost 62m, placing the day in the top ten busiest days on record, and carrying the Dow Jones industrial average to its highest point for three and a half years.

The reason the rally took off on Thursday after the hesitancy on Wall Street on Monday and Tuesday has much to do with interest rates.

The previous week's one percentaga point rise in short term money market rates fed through to the highest profile of U.S. rates, the bank's prime, on Monday, forcing Chemical Bank to lift its rate to prime borrowers from 10¾ to 11 per cent.

Although this hrought Chemical and later in the week Chase Manhattan, only hack into line with the rest of the major hanks, it was the first upward move in the prime for four months and increased worries that interest rates are heading npwards for a while longer if not on a major cyclical upswing.

As the week wore on, in splte of massive Treasury funding requirements in tha deht market totalling $8.2hn ratea trickled *generally downwards*, a move which was underpinned somewhat by the announcement on Thursday that the volume of outstanding consumer credit in the U.S. had shown another record drop in June, suggesting to some that the recession and lts impacts may be stiffer than recent optimism in the stock market suggested.

With the hlg institutions throwing their weight around, it is not surprising that the hlue chip stocks and the blue chip industrial indicies have heen doing rather well.

The Dow Jones industrial average ia now more than 25 per cent higher than its late April low point, hut it is interesting to sample the record of a few of walls treet's most followe dstocks to see the great sectoral range of advances which lays hehind this general upward move.

Could you guess, for example, from this list, which stocks have shown the greatest appreciation in percentage terms since that market low; General Motors, U.S. Steel, Proctor and Gamble, General Electric, Chrysler, Mobil Oil and J. C. Penny (the major retain chain).

Full marks for those whose rankings are as follows. Each atock is followed by its percentage rise since April 23: Chrysler per cent), General Motors (35 (up 60 per cent), U.S. Steel (46 per cent), General Electric (20 per cent), J. C. Penny (20 per cent), Proctor and Gamble (19 per cent) and Mohi (no change).

The most interesting lesson, alheit from a not particularly scientific survey, is that the market has heen kinder to what Americans call tha big ticket consumer cyclicals (cars, and therefore indirectly to steel) rather than the nitty gritty products of Proctor and Gamble.

Also spectacular is the stagnation of the oils, which in the previous year were prominent

NEW YORK

IAN HARGREAVES

in just abont every advance the stock market managed.

In othar words, America, at least through its stock market, is again saying what's good for General Motors is good for the country and things, as last, don't look too had for General Motors, in spite of the fact that the company will prohably report its first ever annual loss this year.

It is an *analysis* which begs too many questions to be worth mentioning. abont inflation, ahout the car makers, about interest rates, about U.S. industrial productivity and about the economic policies and likely hudget deficits of the next President.

It is also, to dwell on Chrysler for a moment, an attitude reflected in that beleaguered company's hrash self-confidence: Mr Lee Iacocca, Chrysler's chairman, this week had one of his puhlicity people send me a hirth certificate for Chrysler's new car, the K car, and a cigar to celehrate the fact that the first car had come off the Detroit production line. He also hung a new sign np at the K car works to replace the "Chrysler can do it" slogans of recent months.

The new sign reads "Consider it done." Really?

Monday	931.06	[illegible]
Tuesday	929.78	−1.28
Wednesday	938.23	+8.45
Thursday	950.94	+12.71

Registration of a title

BY OUR LEGAL STAFF

My wife owns a parcel of woodland in rural Kent and it has heen suggested to us that the title should be registered. Is this necessary or advantageons?

It ls not oecessary to register the land until it is sold, when the purchaser must register it. We know of no advantage to be derived from registration if your present title to the land is in order.

Anti-social behaviour

In a recent reply concerning *ball games* and *similar* nuisance on roads, yon wrote that local authorities could not be compelled to take action (except for noise). What is the situation where there are hy-laws which prohibit this and other kinds of anti-social behaviour? Will they be enforced hy the local anthorities, or the police, or hy private prosecution?

Where there are by-laws which would, if invoked, operate to ahate the nuisance, the local authority can be asked to apply them. However if the local autbority considers the matter and decides not to prosecute, neither the police nor any private person can do so, nor can anyone insist on the local authority's doing ao.

A letter of instruction

I have made a properly attested will, but now wish to leave instructions to the benefactor as regards such matters as (a) how to proceed, (h) burial wishes and (c) advice, etc. As a codicil to my will, does this have to be witnessed?

If you execute a codicil to your will *it must be executed* and witnessed in the same way as a will must; hut the matters which you mention do not appear to he appropriate items to deal with in a codicil. A letter of instruction may auffice.

Maximum life premium

My income is £30,000+. My wife's is £10,000+. We are separately assessed. What is the maximum amount of life premiums that I am allowed to pay? According to my accountant we would be allowed premlum of np to ⅙ of my income (£2,500) and ⅙ of my wife's income (£800), making £3,300.

The joint limit of premiums is one-sixth of your joint total income (as defined in sections 34(3) of the Finance Act 1971), so it is apparently over £6,666.

Your accountant seems to have misconstrued the ohscure wording of paragraph 10(h) of schedule 4 to the Finance Act 1976, which governs the allocation of the joint limit hetween separately assessed apouses.

Asserting a title

I purchased some land 16 years ago: the previons owner had the same land for 14 years. On purchasing this property I repaired all existing fences. Within the last *few* months another person has purchased property next to mine and states that part of my land, which is fenced in, is his. He therefore went ahead and knocked down the fencing and gates, etc., that I had repaired previonsly. What, please, is my position?

If the land in dispute has heen fenced within your own houndaries for more than 12 years you will have acquired title to it by the doctrine of adverse possession operating during the full limitation period (commonly called a squatter's title) even if you do not have formal paper title to the land. *This is assuming* that there are no unusual or special features about the site and the use to which the land was put. You should act quickly to assert your title. Consult a solicitor if necessary.

Charge for roof repairs

I refer to your answer to the charge for roof repairs qnestioner (July 19). The qnestioner omitted to quote the subaparagraph I of Section 124, which would give him the answer required: "... a service charge (In this *instance a 1-12th of the hill*) is only payable ... if the estimates etc., have been agreed with the tenants. If this is the case then no payment need he made. Therefore there is a sanction." If the landlord takes the case to court then he would have to show that he agreed estimates. Would you not agree that the court would only rednce the costs, providing the above was complied with and then it was found that the repairs were not up to standard, etc.?

We do not agree with your interpretation of Section 124 of the Housing Act 1974, which you misquote. The section does not state that estimates are to he *agreed* hut merely that there ahall he *consultation* with the tenants. It is, of course, this inadequate language which makes the section wanting in respect of an effective saoction and has led to its proposed *replacement* in the current Housing Bill.

FINANCE AND THE FAMILY

Pension for divorce

Under a divorce settlement I shall be required to match a pension expectation which hut for the divorce wonld accrue for the benefit of my wife. Under my superannuation arrangements my wife receives a pension assuming she survives me. A straight insurance on my life has heen offered to cover this contingency bnt this cover is more than Is really required; the point is of course that cover adequate for the requirement would apply on my death, assuming that at that time she survived me — and she is actually older than I. I had heard that cover was available in these particular circumstances, could yon give me any lead on this?

An approach that has much to commend it is that of the "*preserved* widow's pension" calculated on similar lines to that of a preserved pension for an employee who changes johs. Let us say that an employee spends 10 years each in three johs and has a pension of 10/60ths of the final salary from each joh. Likewise a wife who had spent 10 years each with three husbands could take her appropriate slice of widow's pension preserved in respect of each marriage.

Even if the entitlement is calculated on this formula it is difficult to finance such benefits outside the context of an approved pension scheme. The UK Inland Revenue pension acheme *approval system does* not as yet cater for a situation where one employee leaves two widows. If the Revenue were to change its practice so that a divorced wife could remain covered under her hushand's pension calculated hy reference to the number of years she was married to him hut hased on his final salary (as most pensioo schemes are now hased on final salary) and participating in any post retirement increases this would provide the most equitahle basis for such settlements — and one capahle of performance.

Unearned income tax relief

I am leaving my present job in September and will not be working for at least two years before setting up my own business. Until then, I might not have any earned income. most of the household expenses will be met from my wife's income. The outstanding building society mortgage on my house is £11,000 repayahle over 20 years. I have £15,000 invested in a share account in the same building society, and further £5,000 invested in another building society account. Please let me know (a) if there is any advantage by paying off my ontstanding mortgage in view of my new situation in September (b) where I should invest £20,000 instead with the basic tax paid *building society accounts* (c) whether income tax relief on the mortgage interest will still he allowed if the only source of my income (ie, investment income) may be from £20,000 invested elsewhere?

You *will* find general guidance on the rules governing tax relief on mortgage interest in a free booklet, IR11 (Tax treatment of interest paid), which is obtainable from most tax inspectors' offices.

We cannot advise you in detail, on the hare facts given, but in hroad principle our comments are:

(a) probahly not;

(h) you might well consider switching a substantial sum to a hank deposit account or an investment account with the National Savings Bank, for example, or a fixed-term deposit with a finance house or a local authority, as mentioned from time to time in our columns, in order to avoid the tax penalty of having to set mortgage interest etc. against building society deposit (or share) interest;

(c) yes, in principle, hut you must take into account the married - man's personal allowance and the likely aize of your wife's income, etc.

Since you are likely to need an accountant when you set up in business in a couple of years' time, it might be worth your while to seek professional guidance now, rather than waiting until then. When asking your inspector for a copy of hooklet IR11, you may also like to ask for a copy of IR28 (Starting in bu

Looking to the tunnel's end

SOME MINES are entered through an adit, that is to say a tunnel driven more or less horizontally into the side of a hill. At the end of his shift a tired miner leaving the mine will feel his spirits rise as he glimpses the curiously roseate glow of light from the outside world at the end of the tunnel.

Sharemarkets know the feeling. Wall Street has been forging ahead strongly this week on hopes that the end of the U.S. recession may be in sight, the market listening

MINING

KENNETH MARSTON

to news of some improvement in conaumar buying there, a modest rise in housing starts and hopes that automohile sales will pick up thia autumn when production of the new generation of small cars from Detroit gets under way.

Whether or not this will prove to he a false dawn remains to he seen. as does its likely impact on the UK economy which has its own prohlems. Bnt Charter Consolidated is playing safe hy confining its industrial expansion activitiea into the areas that it knows, notahly the mining equipment manufacturing field which is still doing well.

Mr. Neil Clarke, Charter's chief executive, told tha London meetiog this week that the UK mining and industrial group is going to take British Petroleum's cash offer, worth £104m to Charter before capital gaina tax, for the shareholding in Selection Trust in preference to the alteroative of shares in the hig oil company.

The money will he used to make further acquisitions under Charter's plan to achieve a halance between mining and industrial investments and those in the UK and elsewhere.

Already a stake has been taken in the Anderson Strathclyde mining equipment group, while agreement has been reached to buy the Perard Engineering manufacturer of mining equipment and Charter's Torque Tension subsidiary, in the same field, has entered into a joint venture with a U.S. coal mining equipment supplier.

As already announced, Charter is also to negotiate wilh BP for Selection Trust'a Alexander Shand coal mining and engineering subsidiary. I seem to recall somebody, who knew about such matters, saying that the man who made the most money out of a mining [illegible] eper. Perhaps Charter, which has not been notahly successful in some of its mining activities, feels the same.

At all events, Charter's recent restructuring has cleared the decks of some past problems, notably the loss-making Cleveland Potash operation, and with money to spend Charter has a chance to show its paces in a still uncertain economic environment.

After past disappointments, it is time for Charter to he lucky and with an asset value now equal to some 412p per share compared with the current market price of 227p, shareholders may do worse than stay for the ride which, incidentally, could be enlivened by the purchase of some North Sea interests from BP.

Rio Tinto-Zinc will also he looking for aome light at the end of the tunnel, in this case for a revival in base metal prices. After ending 1979 with a flourish of high profits, the UK group will have enjoyed a strong first quarter and a cooler second quarter and should still turn in good half-year earnings for 1980 when the results are announced next month.

The outlook for the current *half-year*, however, *is less* certain and the picture is reflected in the latest results of the South African Palabora copper mining subsidiary. This week it has announced earoings for the first half of this year of R31.24m (£17.5m) compared with R32.36m in the same period of 1979.

At the moment the price of copper is being underpinned hy tha strike of North American miners hut Palahora has felt it prudent to warn that second half results may not he so good in view of the effects of the world economic recession on the market for copper.

Even so, this has not stopped Palahora from raising its second quarter dividend and, whatever the travellers in the tunnel feel, RTZ shares remain a first class long-term investment and the group should still have a satisfactory year.

That part of the Eastern tin share market which deals with the Malaysian-registered companies involved in the current merger, notably Malayan Tin Dredging, Southern Malayan and Southern Kinta, is becoming a little frightening. It will be recalled that last week aggressive huying from the East sent share prices spinning up to new highs for the year.

This was despite the none too bright near term outlook for the metal price. Indeed, since than the chairman of Berjuntal, Malaysia's leading tin producer, has warned that with rising costs, and the increase in the country's tin profits tax, his company faces lower profits thia year unless the metal price rises appreciably.

So a week ago, when the share prices had almost doubled from their levels of earlier in the year I took the view that for UK holders of the companies in the proposed merger, the time had come to take their profits and depart. To my chagrin, share prices have gona even higher this week.

The Eastern buyers are still snapping up the few shares available in a market which has become very thin and London johhers are doing little more than marking-np prices in line with those in the East. The offer, of shares in Malayan Tin in exchange for those in the other companies, has heen declared unconditional, hut it will remain open for acceptances until August 14.

What may be good for the Malaysian huyers, however, may not necessarily he good for a UK shareholder who, for one thing, suffers not only the deduction of Malaysian tax at 40 per cent on his dividends but also UK tax on the balance because there is no double tax *agreement with Malaysia*.

Furthermore, holders of shares involved in the merger with Malayan Tin face the uncertainties of hecoming minority participants in these foreign companies if they do not sell hefore sharedealings are suspended on August 14 to allow the merger to be put into effect. It may thus still be a case of leaving the party while the going is good.

Pancontinental seeks oil

AUSTRALIA'S Pancontinental *Mining, which turned its* attention towards oil and gas exploration in Australia and Canada after a series of rebuffs in its attempts to obtain Federal and State Government permission to develop the huge Jabiluka uranium deposit in the Northero Territory, this week offered the public a direct stake in its Australian oil and gas exploration activities.

The Australian oil and gas exploration scene has caught the imagination of the investing puhlic in a hig way, hoth in Australia itself and abroad, notahly in this country and North America, writes George Milling-Stanley.

Investor demand has sent the ahare prices of such companies as Strata Oil, Hartogen Energy and Monarch Petroleum racing ahead on the stock markets in recent weeks, and the spread of Pancontinental's participations (see map) is sure to generate a great deal of interest in the new company, Pancontinental Petroleum.

Dealings are expected to begin in *mid-October* — preferential entitlements are offered to Pancontinental shareholders — and provided that the Australian oil and gas exploration market haa not lost its zing by then, Pancontinental Petroleum can be expected to prove a popular issue and could well go to a premium over the 25 cents (12.3p) offer price.

The parent is hoping to raise ahout A$11m (£5.4m) through the offer of 44m shares of 25 cents at par plus 22m options at one cent; this represents about 48 per cent of the equity of the new company. The rest will be retained by the Pancontinental group.

Pancontinental is determined to become a major natural resources group, with an emphasis on energy minerals. While the uranium at Jabiluka, discovered almost a decade ago and still stymied by environmental considerations, stays in the ground, onshore oil and gas exploration in Australia seems a logical next move.

YOUR SAVINGS AND INVESTMENTS

Alan Friedman reports on new savings schemes

Battle of the banks

THE BATTLE for personal savings has taken on a new dimension. The leviathans of British banking, sensing the potential of newly devised interest bearing achemes, are now embarked npon a campaign to lure money away from building societies and finance organisations.

With announcements from three of the four major banks over the past few weeks the battlefield is now becoming clear.

Barclays Bank was the first to disclose its new forms of savings and deposit accounts for personal customers. Its programme, to be launched on September 1, will feature two main offers.

In an efforts to retain more funds and improve its savings image, Barclays is preparing a "bonus savings account" for people who can save £10 or more each month for a minimum of 12 months. The interest rate will be fixed at one per cent above the seven-day bank deposit rate, currently at 14 per cent.

The second innovation is an "investment account" designed to attract both personal and business clients willing to commit sums between £5,000 and £50,000 for either three or six month periods. This interest rate will be related to money market fluctuations, but would initially also be one per cent higher than the standard 14 per cent.

A fortnight after the Barclays plan was unveiled, National Westminster made public its own version. For anyone with between £2,500 and £10,000 to invest at either three or six months' notice of withdrawal, Natwest will offer higher rates of interest than on deposit accounts, based on money market rates.

Natwest is also planning an investment scheme for those with £10,000 and more to invest. Mr. Maurice Denton, a Natwest general manager, noted that the lower limit of £2,500 for the new services has been pitched to broaden the appeal of the schemes.

"We believe these new accounts fill an important gap in our range," he said.

Meanwhile, Midland has come up with a three-part programme, also scheduled to start in late summer. This scheme includes a capital investment arrangement for deposits of £2,000 upwards in fixed periods ranging from three months to two years.

Midland is also designing a "Bonus Savings" scheme which will pay an end of term bonus of 1 per cent per annum for a 12-month contract and 1½ per cent for two years in addition to normal deposit account interest.

Finally, there is to be a Christmas and Holiday savings plan. This is really just an expansion of the bank's "Save and Borrow" personal credit plan introduced in 1972.

It will enable customers and non-customers to save monthly amounts and borrow up to 12 times the monthly payment to a maximum of £1,000 during any one year. Interest will be paid on the amount in credit, currently at a rate of 11¼ per cent.

Mr. Peter Nicholson, general manager at Midland, said yesterday that part of the idea was to attract new savers as they are switched from pay packets to paper transfers of their wages. "For a long time we have wanted to improve our range of services, but we've been hamstrung by the restrictions of the Government's 'corset.' Now, we are free to compete in the savings market," he said.

He agreed with other banking officials that the competition would soon increase, not just among banks but also with building societies and finance houses. Things should hot np even further when Lloyds discloses its savings scheme before the end of this month.

But at United Dominions Trust, Mr. Arthur Richards group managing director was not very worried. UDT and other finance houses such as Citibank Trust offer a variety of fixed term interest-bearing schemes.

Mr. Richards said UDT had increased its penetration of the small depositors' market within the last year. But he added: "I don't think the new bank schemes will affect us too materially."

Nevertheless, the savers of Britain can prepare themselves for a battle, one which should benefit the public as much as it excites the clearing bank general staff.

THE NEW INVESTMENT ACCOUNTS

	BARCLAYS	NATWEST	MIDLAND
Size of account	£5,000-£50,000	£2,500-£10,000	£2,000+
3 month*	15.5 per cent	14.5 per cent	15.375 per cent
6 month*	15 per cent	15 per cent	14.75 per cent

*These are estimates based upon recent money market rates. None of the programmes is yet operating.

House buyer's burden

MORTGAGES
ANDREW TAYLOR

A MAJOR overhaul of tha system by which house purchasers pay separate fees for building society valuation reports and independent structural surveys may be on the way.

A working party established by the Royal Institution of Chartered Surveyors is investigating tha possibility of drawing up a standard report form which would satisfy the needs of the building society and the house purchaser.

Many purchasers believe that by paying separate fees for mortgage valuation reports and independent structural surveys they are paying for tha same work to be carried out twice. Resentment is heightened by the fact that building societies do not generally disclose the findings of their report to tha buyer.

Abbey National, the country's second largest building society, has now decided to disclose the contents of its mortgage valuation reports, starting from the beginning of next month, a lead which may be followed by other societies.

The move has brought a sharp response from the Royal Institution of Chartered Surveyors which naturally fears that buyers will regard the society's reports as a substitute for a full structural survey.

There are genuine grounds for these fears. The public regards with deep suspicion the contents of structural surveys which often concentrate as much attention on details like cracked window panes and broken sash cords as they do on major structural defects.

It is for this reason that some attempt at standardisation of services provided by structural surveys is essential. Equally desirable would be some attempt to provide standard scale of fees for the work carried out.

The only guidance given by the institution is that fees should be negotiated "by arrangement according to circumstances." This would appear to give too much licence to the unscrupulous although the institution says that surveyors' costs can vary widely depending upon the nature and location of the property and the depth of survey required.

But it is just such a loose arrangement that causes distrust among members of the public uncertain about the price they are paying and what they are going to get for their money.

The problem of double payment for mortgage reports and for structural surveys was recognised last year by the Office of Fair Trading which recommended that valuation reports and structural surveys should be carried out simultaneously at the request of the borrowar.

The institution says that by carrying out both tasks simultaneously the bill for a mortgage valuation and structural report for a £40,000 three bedroom house in the London area could be reduced from £200 to £150—depending upon the nature of the house and the work involved.

The building societies and the institution have been actively promoting simultaneous valuation and structural surveys but with only limited success. One problem is that valuers used by societies are not always equipped to carry out comprehensive structural surveys.

Abbey National, which uses a panel of around 1,200 independent valuers as well as its own staff, agrees that there is a material difference between the nature of a valuation report—used as a check that a property is adequate security for a loan—and a comprehensive structural survey.

Checks made by society valuers are largely visual although comments are made on the general structural soundness of a property and any obvious essential repairs needed.

While it remains clear that a mortgage valuation report is not an adequate substitute for a structural survey the present system remains clumsy and a source of aggravation to house purchasers.

Moves towards the production of some standard report form combining both valuation and structural information would help

The code of a salesman

INSURANCE
ERIC SHORT

LIFE INSURANCE is part of most people's lives. Apart from covering us against the mishaps and disasters we hope will never happen, it is one of the main forms of personal saving.

But few people have a real idea of what insurance they should have. Even fewer understand which, if any, of the many insurance contracts available will meet those needs. The public still relies heavily on the insurance salesman to identify insurance needs and recommend the type of policy that maets them.

Insurance companies in recent years have done much to educate the public and have radically rewritten their brochures so that people can understand them more easily. Nevertheless, in the majority of cases a prospective buyer still relies on what the salesman tells him.

The salesman needs to understand what he is selling. He must be a person of integrity and put the consumer's interests first. Yet until recently there has been no attempt to even lay down a code of selling ethics.

Pressures, official and from consumer groups, have forced the insurance industry to try to formalise the control exercised on intermediaries. Insurance brokers must obey the Insurance Brokers (Registration) Act 1977 which has a definite code of practice for brokers.

Other intermediaries have no statutory control yet—a point which infuriates brokers. But the British Insurance Association and the Life Offices Association are drafting codes of selling practice for general business and for life assurance.

Both codes are long, since the BIA and the LOA have attempted to spell out in detail how a sale should be conducted. To summarise them; the salesman should give advice only on those matters with which he is competent to deal and should recommend other specialist advice if this seems appropriate.

So far so good. But it is when the codes demand altruism from salesmen that they start to look unrealistic. For example, the codes say the salesman shall not criticise any insurance company, neither should be attempt to persuade a client to cancel an existing policy unless it is clearly unsuited to his needs.

The insurance market is competitive and there are no prizes for generous losers. Salesmen are not going to play by the rules when up against competition and it is somewhat naive to expect otherwise.

Still, as an attempt for the insurance industry to regulate its salesmen, the codes ade a good first step. But they are very evidently toothless since nowhere is it explained what happens if a salesman infringes them.

Unlike the brokers' code, they have no statutory backing, no laid-down system of complaints and disciplinary procedures. If an insurance company chooses to ignore the codes, then there is little the BIA or the LOA can do.

There are still a lot of unanswered questions over self-regulation. Nevertheless, the Department of Trade and the Office of Fair Trading intend to give the codes a fair trial before considering whether statutory backing is required.

I think that some form of statutory registration for salesmen, on the line of the 1977 Act for brokers, is inevitable, using these codes as the basis of legislation.

The BIA and the LOA are seeking the views of various bodies concerned in selling insurance. But they seem content to let tha Department of Trade act as the sole spokesman for the consumers. This seems inadequate. The views of consumer associations should be sought as well.

Paying in the dark

PENSIONS
BARRY RILEY

IF YOU belong to an occupational pension scheme the chances are that you have never seen a set of its accounts, and have little idea about the nature of its assets or the way in which they are managed. While some attempt has probably been made to explain to you the benefits available on normal retirement or death, it is unlikely that you have easy access to information about your precise entitlement on leaving service or on early retirement.

The Wilson Committee had some caustic comments to make about the lack of accountability of pension funds. The committee called for the introduction of a pension scheme Act which would impose a clear statutory duty on scheme trustees to make regular disclosures of information to members.

The response of the National Association of Pension Funds to the pressure for more disclosure emerged this week in the shape of its Code of Practice on the provision of information to scheme members.

The NAPF rejects the idea of "further, inevitably complex, legislation," arguing that the goal of a better standard of information can be reached more quickly and with less dissension through a code.

Certainly the NAPF pamphlet highlights the inadequacy of existing legislation, whereby pension schemes are covered by trust laws designed for quite different circumstances.

"It would seem prudent to assume," the NAPF explains, that a scheme member is "entitled to inspect on request" information such as the audited accounts and the actuaries' report. But there is no requirement to provide periodic personal information.

But how can the NAPF drag its often unwilling members into the modern world of freely available information? It still appears to be reluctant to put pressure on its members to follow the highest standards—though it has instituted a kind of carrot in the shape of a new Golden Pen award for the best pension fund annual report.

So the pamphlet effectively contains two codes. One consists of atatutory requirements plus a "desirable further minimum." In addition the NAPF lists further disclosures labelled "practice beyond the minimum."

These include, for instance, the provision of an annual personal benefit statement to each active scheme member. But such items are described as no more than "a useful further checklist for consideration."

Joining the gilt rush

UNIT TRUSTS
ERIC SHORT

THE MARKET is being flooded by gilt unit trusts as each management group endeavours to get into what is being shown as a lucrative sector of the market. Again it looks as if the early bird is going to catch the worm.

Miss Audrey Head, of Hill Samuel Unit Trust managers, confirmed that its Gilt and Fixed Interest Trust launched last week had already attracted over £1.5m in the first few days.

This year's Finance Act enabled unit trust groups to invest in gilts with similar tax advantages as are offered for investment in equities. The groups have been quick to seize this opportunity and this week we saw gilt trusts launched by Henderson, Gartmore and Save and Prosper to join those already on the market.

The market conditions are opportune for the launch of such funds. The continuing high level of interest rates means these funds are being launched while gilt prices are low—the best time to buy.

But until a track record is established, investors can decide only on the initial yield being offered and the manager's performance, if any, with offshore gilt funds.

Gartmore, for instance, is offering 12.5 per cent gross initial yield and its offshore gilt fund lies second in growth over the past 13 months with a 19 per cent rise.

This year's Finance Act also gave special tax advantages to unit trusts so that they represent better tax-efficient investment vehicles than life company internal funds. Unit trusts are free from Capital Gains Tax — the liability falling on the unitholder, whereas internal funds have to pay CGT.

This week Vanbrugh Life, the unit-linked life company in the Prudential Holdings Group, became the first life company to make the change in its investment arrangements to take advantage of this new situation.

In future, equity investment will be made through the Prudential unit trust, whila gilt investment will be through a new gilt unit trust from Vanbrugh. These will replace the existing UK equity and the fixed-interest funds. Property, overseas equities and cash investment will still be through internal funds.

Investors will be able to go directly into the unit trusts, equity and gilt, and this raises the argument on which is the better investment, gilts or bonds. Since Vanbrugh deals only through insurance brokers, its policyholders should have access to specialist advice on this argument.

Mr. John Stone, marketing manager of Vanbrugh, feels the switching facility between funds at nil or minimal cost clinches the bond route for most Vanbrugh investors.

Other life companies are still making up their minds on whether to take the unit trust route.

Time to press the switch

INVESTMENT
ERIC SHORT

IF AN investor wants the maximum return on his assets, then he must be prepared to change investment holdings as market conditions dictate. It is the old situation of selling at the top and buying at the bottom.

In real life, there are two practical disadvantages to this ideal situation. The first is in judging when the market has peaked or reached its trough—and hindsight is no use here. Secondly, the investor finds the costs of switching dilute or even swallow up the profits likely to be made.

The unit linked life contracts, both single and annual premiums, offer the solution to the second disadvantage. The life companies offer investors switching facilities between a variety of funds at nil or minimum costs. The investor does not have to bear high dealing costs in moving from one fund to another.

But problems still remain—how to judge the time to switch and deciding which fund offers the best prospects. Investors in linked life contracts are being offered switching advice, for a fee of course, by many investment advisers anxious to get into this growth area. Some of the methods used by these advisers are highly dubious.

Some make it a ritual to decide on the investor's attitude, whether he is cautious or speculative and then put the cautious into a property fund and the speculators into overseas equities. Others move their clients once a year on their view of the market, usually obtained by reading all the investment advice in the circulars sent out by life companies to brokers and taking a majority view.

Others seek the services of professional investment advisers—even to the extent of appointing a full time, fully trained investment expert. The magazine Planned Savings monitors (every six months) the success or otherwise of the switching advisers.

But one adviser, Anthony Gervis, offers switch advice based on a set of mechanical rules applicable to all his clients, and claiming considerable success for his methods.

His system is simple. He takes the equity fund as his prime investment vehicle. Clients are kept in the equity fund until the unit price shows a 4½ per cent fall from the last high point.

Then the client is switched into a cash fund, or if a better prospect, the property fund. When the equity price has moved 4½ per cent from its low point, the client is switched back into the equity fund.

The rationale behind these rules is simple. He is seeking to preserve capital appreciation gained in an equity bull phase until the next rise in the market. This entails deciding when the equity market is on a downturn, while avoiding switching in and out every time the unit price falls. Anthony Gervis chose the 4½ per cent level after numerous analysis of price movements over long periods.

He operates these rules without any exception. When they indicate that a switch should be made, all his clients are moved from one fund into another. It means that he has to reach an agreement with the life company that it is prepared to have millions moved in one day from one fund to another. At present he has about £5m under management.

He claims his system, invested in Abbey Life funds would have seen £10,000 invested in 1971 grow to over £60,000 today.

The system is not going to produce the theoretical maximum returns and on occasion it is going to throw up the wrong decision. For instance, if the equity market declines by just over 4½ per cent and then recovers past its original high, the system would have made a switch out of and then back into equities, when it would have paid to stay in equities.

Anthony Gervis accepts this drawback. But he points out that when the market is going down, the investment adviser does not know how far it will fall or by how much will it recover.

PROPERTY

An Englishman's barn

By JUNE FIELD

HE ATTRACTIONS of adapting old farm buildings to living arters or some other use ntinues, and a couple who arted selling 300-yeer-old ıssex barns a little over a ear ago, sold five this week.

Donald and Sonia Pike, who ve in a 17th-century farmouse with an adjacent barn at they are doing up as they along, buy up these splendid d stone structures from rmers in the area who have further use for them.

The barns are not always ought for conversion into omes—someone is buying one s an unusual but practical overing for a swimming-pool; hers are being considered for pottery and an antique shop; d one went to film studios the U.S.

Pub renovators like them, o, for their authentic "olde-orlde" charm. The purist may udder, but these buildings are ot the "listed" as of architectural and bistoric importance ariety, but the simple basic work-buildings of the farm, now sadly unwieldy, defunct, and out of date.

As Mr. J. R. Armstrong, founder of the Weald and Downland Open Air Museum at Singleton in Sussex, reluctantly admits in his recent useful book, *Traditional Buildings—Accessible To The Public* (E.P. Publishing, £4.95): "Relatively few have any role in modern life. They are costly to repair and through neglect may become dangerous."

Adapting some part of farm buildings for living in is not new either. Particularly in the north of England in the 17th century, farmers would provide sleeping accommodation either above a barn or byre, or tacked on to it.

Another variation was a "laithe-house," which combined barn and byre with a living-room leading off from where the animals were kept, which in turn led into the barn where the corn harvest was stored.

Those seriously interested in buying an old barn (and, most important, putting it back together again in some form or other), should contact the Pikes at Rushlake (04356) 232 (they prefer you to telephone rather than write or call) and explain what you want and they will tell you what is on offer.

This varies from what they call "a hovel," probably an old cow-shed, from £1,500 (suitable for garaging or stabling), to a couple of large handsome Sussex stone barns, 90ft x 40ft, with a roof of some 150,000 hand-made Sussex peg-tiles, plus a wealth of prime oak fittings, which cost from around £7,000 to £10,000.

Granaries, where the grain was stored after it was threshed, are rare, as their walls have crumbled as parts have been taken away and used for other buildings.

The price of a barn includes dismantling and delivery within about a 70-mile radius, extra if it is further, but not reconstruction. You make your own arrangements for this, bearing in mind that numbering and sorting out the pieces will undoubtedly be a time-consuming and costly job.

The first step when you have discussed size, shape, material and price is to go along and see your barn *in situ*, and take photographs. Then it is suggested that you come back again with your builder or carpenter when the roof tiles have been dismantled.

"It is only when the roof is off that you really see the craftsmanship that went into the timber-frame construction, and the strength and stability of the roof trusses," Mr. Pike says. "One does not often see so much oak of this age, quality and volume."

It takes about a week to dismantle a barn—after the tiles are off, then it is the turn of the side pieces, weather-boarding and the like, with any infill knocked out. That leaves the timber frame, with its roof timbers, cross-beams, uprights and plates.

Some structures are too far gone to re-erect, so only the oak beams, bricks and stones can be reserved. These are stored and are for sale to those who need any old materials for house restoration, repairs, extensions, furniture manufacture and the like.

For those who want their barns in one piece, there is Foley Farm Barn, in about 2¼ acres with a stream, on the edge of the village of Leeds, near Maidstone, Kent, a mile away from the M20.

It has planning permission for conversion into a five-bedroomed, 2-bathroomed, three-livingroomed house, and Leeds Castle Estate was inviting offers in the region of £25,000.

There are also two cottages for sale in Harrietsham at a similar price. Details from Mr. J. P. N. Taylor, Strutt and Parker, 29, St. Margaret's Street, Canterbury (0227 51123), and Mr. S. Hardwick at their Lewes office in 201, High Street (07916 5411).

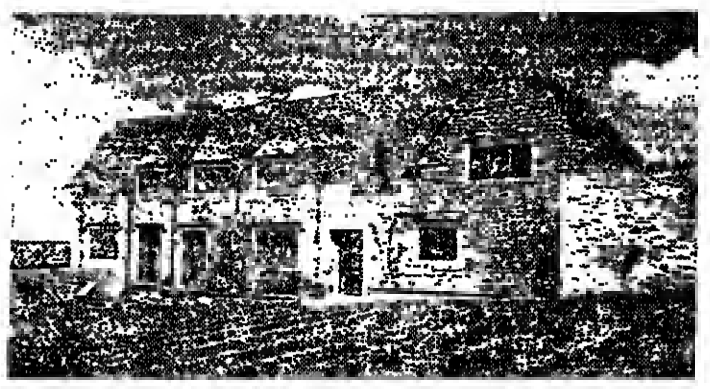
Constable is reputed to have kept his horse Nancy in a small barn attached to The Granary, a traditional East Anglian barn adjoining Flatford Mill near East Bergholt. Many of the artist's famous pictures were painted in the vicinity, and it is thought that *The Boat Builders* may well have been painted here.

Both barns are now converted to living accommodation, the small barn being a two-bedroom annexe to the large Norfolk reed-thatched aisled-barn (the heavy timbers are laid lengthwise on an aisle wall to receive the ends of the rafters of the roof), which has five bedrooms and two bathrooms.

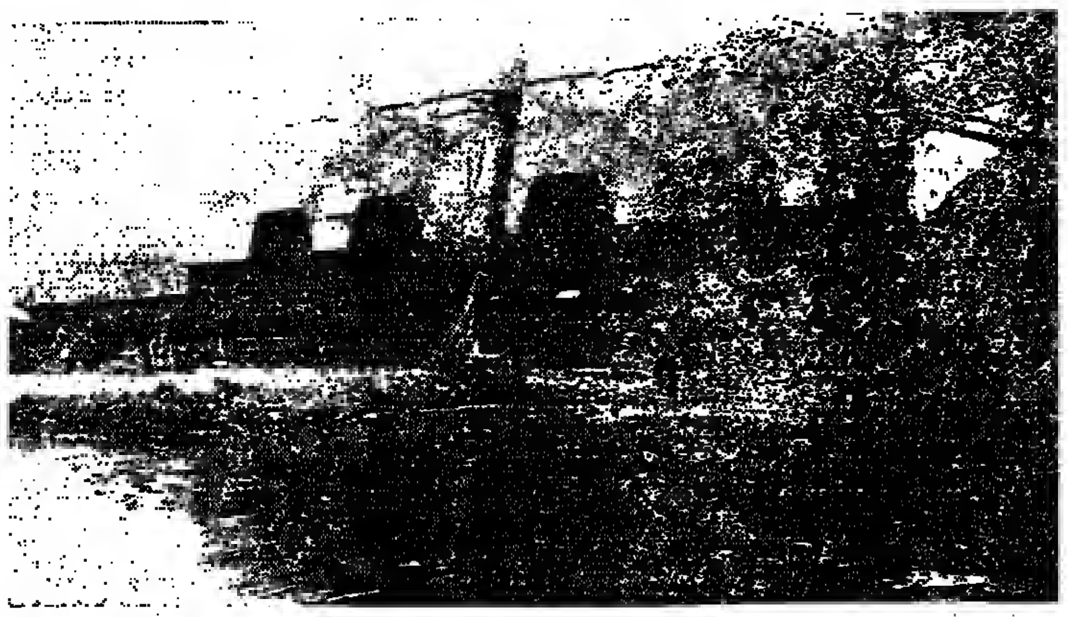
All the rooms look out over the gardens which slope down to the river and a private wooded island. Offers are being invited in excess of £120,000. Details Mr. John Gibson, Savills, 136, London Road, Chelmsford, Essex (0235 69311) and Reeman Dansie Howe and Son, 12, Head Gate, Colchester (0206 74271).

Savill's Chelmsford office is also selling the 5-bedroom Wissington Grange in 21 acres in the Stour Valley near Colchester. Included in the £110,000 price is a large tithe barn with planning permission for conversion to three houses, two other barns, and excellent stabling.

Savill's Banbury office and Jackson-Stops and Staff's Cirencester office are inviting offers in the region of £120,000 for the 5-bedroom, 2-bathroom Boulters Farm, Chipping Norton, in about 9 acres, in Heythrop Hunt country. There is also a barn for storage, four paddocks, stable yard with five loose boxes, two pony boxes, tack room and a swimming pool.



he 5-bedroom, 2-bathroom Boulters Barn, in about 9 acres in the eythrop Hunt country is for sale at around £120,000. There is so a swimming pool, storage barn, 4 paddocks, stabling and tackroom, nd other outbuildings providing garaging and a workshop. Details n McConnel, Savills, 21 Horse Fair, Banbury (0295 3535), and ckson-Stops and Staff, Cirencester.



The Granary, adjoining Flatford Mill, East Bergholt, Suffolk, has been converted to a 5-bedroom, 2-bathroom house, with the adjacent small barn, where the artist Constable is reported to have kept his horse, Nancy, is now a 2-bedroom annexe. John Gibson, Savills, 136 London Road, Chelmsford, Essex (0235 69311), and Reeman and Son, Dansie Howe, 12 Headgate, Colchester (0206 74271), are inviting offers in excess of £120,000.

The next two weeks are crucial for Lester Piggott

A hatful of fancied mounts

RACING

DOMINIC WIGAN

IF, AS some believe, Piggott has more than a passing interest in the outcome to the Jockeys Championship, the next fortnight could prove crucial for the nine times champion. The world's most sought after rider, who has been closing the gap on Carson this week, has another hatfull of well-fancied mounts today and, more important, does not face competition from Carson at either Newbury or York.

My idea of Piggott's best prospect this afternoon at Redcar (a course he can have visited on no more than a couple of occasions in the past three seasons) is Shaftesbury in the Vaux Breweries Gold Tankard.

Although this versatile performer can have impressed few race-goers with his early season efforts, he has progressed a good deal in recent weeks and put up, arguably his best performance in a long while when failing by only threequarters of a length to give Beggar's Bridge 3 lbs in Ascot's 1½ mile Sandringham Handicap.

There Shaftesbury looked all over the winner in the hands of Greville Starkey until Piggott swooped inside the final furlong on the winner.

The additional quarter mile here will present no problems to Shaftesbury, who I expect to see stealing a decisive lead on the three times winner, Sea Pigeon, once they are in line for home.

In the absence of Piggott's intended mount for the William Hill Gold Cup, House Guard, the race seems best left to Shaftesbury's younger stable-mate, Atlantic Boy. There was no more impressive winner at Doncaster than the compact Busted colt whose previous effort resulted in a hard fought but emphatic victory at Beverley.

Atlantic Boy, on the 7 stone 7 lb mark alongside Nonchalant at the foot of the handicap, is ideally drawn at four and can win at the chief expense of Tender Heart, whose late challenge carried him to within half a length of Fine Sun at the finish of York's £15,000 John Smith's Magnet Cup.

SELECTIONS

REDCAR
1.45—Sunion
2.15—Shaftesbury**
2.50—Atlantic Boy***
3.20—Monevett
3.50—Rebid
4.20—Crispin
4.50—Sam Carmedy

HAYDOCK
2.00—Rushmoor
2.30—Lindoro*
3.00—Swelter
3.30—Sir Billy
4.00—Moto
4.30—Popaway

MOTORING

A tale of two cities

BY STUART MARSHALL

When the Motor Show opens at Birmingham in two months time, three of the most interesting exhibits will be within reach of the average car buyer's pocket. The Fiat Panda, pictured here, will he new to Britain though it made its debute at Geneva last March. It does not replace the Fiat 126 or the 127; it is a new kind of car, aimed at the person who now buya a Renault 4 or Citroën 2CV hecause they regard a car as a domestic appliance, not a horseles carriage. It is roomy, adpatable, economical and rides well and will probably cost abont £3,000. Ford's front wheel drive Escort stays secret until next month, though snatched picturea in Continental magazines reveal that it is remarkably close to the Opel Kadett in size, looks and, one must assume, performance. Prices in the £3,500 to £4,400 range are rumoured. Third of the trio is the Mini Metro. Whereas the Ford Escort will make its first ahow appearance in Paris in early October, BL are saving the Metro for Birmingham thongh, as everyone has known for Fiesta in size, related to the existing Mini mechanically bnt with larger engines. Prices will not be known until ahortly hefore the show hut are likely some time, it is a three-door hatchback, close to the Ford to he in the £3,300 to £4,000 range.

IF YOU can't beat 'em, join 'em. The Society of Motor Manufacturers and Traders, which runs the International Motor Show at the National Exhibition Centre, Birmingham, and the organisers of Motorfair at Earls Court, London, use this excellent advice.

This week they jointly announced that Motorfair will take place from October 20 to 31, 1981, thus ending a war of words that led to the cancellation of the 1979 Motorfair a few weeks before it was due to open. They go further. Philbeach Events, Motorfair's organisers, and the SMMT, are to work band in glove to assure Motorfair'a success.

The first Motnrfair was beld at Earls Court in 1977, after the SMMT's decisioo by a narrow vote of its members to make the Motor Show biennial instead of annnal and shift it from London to Birmingham. In apite of the SMMT's mutterings of disapproval, many of their memhers supported Motorfair.

It drew about half a million people to Earls Court, where they were able to see—and buy — anything from a Rolls-Royce to a humper sticker, right there on the show floor.

A year later the 1978 Motor Show, the first to be held at the NEC, attracted colossal crowds but infuriated many exhibitors. The car makers and importers found that on the busiest public days, sheer weight of numbers prevented show-goers from inspecting their wares properly.

Exhibitors in the other halls at NEC complained that families crowded out of the car section, were getting nnder the feet of potential buyers of fleets nf lorries or millions of pounds worth of components. Some of the puhlic, appalled at the congestion, turned round and went straight bome.

The SMMT have learned a lot. This year's Motor Show (npen to the puhlic from October 17-26 promises to have as many exhibits as the 1978 event. But this time visitors should be able to see all of them in comfort.

The covered area will be 25 per cent greater—including a new 10,000 sq. matre hall, now nearing completion—bnt most of the extra space will be devoted to wider gangways. The Cup Final type crush of 1978 simply will not happen again, the SMMT says.

But back to Motorfair, and specifically to the 1979 Motorfair that didn't happen. When the organisers started aelling space for the event at the beginning of last year, the SMMT made its disapproval plain to its members.

When some of them—dealers and importers in the main—showed signs of taking part regardless, the society waved its blg stick. Any members, it said, who broke the SMMT rule that they must not take part in exhihitions the society did not approve of wnuld do so at their peril.

The members backed down and Motorfair faced with a wholesale desertion of intending exhibitors, said the show could not go on.

There was a lot of had feeling on both sides. Motorfair started a law suit in a bid to overturn the SMMT's ban on members' participation and announced that they would be back at Earls Court in 1981. (If the SMMT ban had been upheld, it is hard to see how Motorfai rcould possibly bave been held.)

Clearly, the SMMT/Motorfair confrontation had created a situation in which both sides stood to lose. The SMMT risked a split in its ranks; Earls Court muat have suffered financially; and, not least, hundreds of thousands of people, mainly from the South-Eaat, would have beeo denied the chance of going to a motor exhibition without trekking up the motorway to Birmingham.

Common sense prevailed. The two sides got together. Motorfair dropped its legal action. The SMMT's deciaion to help Motorfair organise and sell its show, in return for a share of the profits, is a happy outcome for everyone.

The SMMT is committed to bolding its once-every-two-years car, truck, hus and component exhihition at the NEC, Birmingham, throughout the 1980s. What the car makers (as opposed to the truck, bus and bits-and-pieces manufacturers) will be watching for is the emergence of a trend.

They will want to know if motorists who don't live in the Midlands or the North will go to the NEC to look at new cars, or will they prefer to make their hiennial pilgrimage to Earls Court and Motorfair.

In other words, will the motoring consumer centre of gravity shift back to London, leaving the NEC Motor Show as a place where people from the industry sell things to one another?

FASHION

Knitting pretty

BY SUZANNE TUROWER

MORE AND MORE young British designers are jumping on the handknit handwagon producing wonderfully witty sweaters that have earned London the reputation of sweater capital of the world and have turned knitting into an art form.

England's cottage industry of knitting bas come to mean hig husiness. Handknits, wbether executed on needles or bandframed on domestic machines, keep American buyers crossing the Atlantic to comh our market place to see what and who is knitting.

What they see for autumn is an array of really aimple shapes designed to give full impact to the highly imaginative designs. Laodscapes, skyscapes, snow and icc themes, modern ahstracts and geometrics, enormous florals, small motifs like cars, aeroplanes, skiers, and life-sized faces — often hased on the glamorous Hollywood stars — all these and more turn up on sweaters nowadays. They are achieved through iotricate intarsia techniques; imaginative stitch, texture and yarn mixes; paddiog aod quilting for the latest three-dimensiooal effects, and hy re-embroideriog the intarsia motifs.

Although the ecooomic climate is difficult and there is a geoeral fashion recession, the increasing demaod from America for such expensive merchandise goes on. A sweater that sells here for around £80 would he at least $250 to $300, but still tbey ask for more.

Together with Patricia Roherts and Rococo, Edina aod Leoa are pioneers io the bandknit field and tell a real fairy-story tale of success. They sell 90 per cent of their stunning recoloured Fair Isle, hobble sweaters, and re-emhroidered and jewelled cardigans to some of the poshest stores in the States.

They've heeo in the knit husiness aince 1976 when they started huying up old knittiog patterns and old jumpers and selling them with the antique clnthes they were already selling in the Antiquarius market io the King's Road. These first few were knitted by a few ladies in Devon.

Now they keep 1,200 knitters busy the year rouod and have orders for the next six months worth more than £¾m.

Rococo sells 75 per cent of its intricate handknits to the States and Patricia Roberts too says her major market is America, though she sells well in Europe too. Her knitting patterns and yarns account for more business than her ready-made bandknits aod these are sold from ber shop in Kinnerton Street, London, and major department stores, while her shop in Kensington Church Walk, London, sells both patterns and sweaters.

She is now busy producing her annual pattero book which comes out in Septemher. This cootains 18 typically Patricia Roberts' patterns which home knitters can make at a fraction of the cost of a ready made—say £15 to £20 for one in mohair—while the ready made would aet you back a cool £95.

Jane Foster and Patrick Gottelier of Artwork say their orders for next winler are 40 per ceot up on last season aod that they're beginning to sell into the upmarket houtiques and leading stores in the States. Summer's abstracts are turoed into a far softer look for next winter with snow themes and giant carnations looking fragile in water colour soft mohairs.

Handknits only represeot five per cent of Paul Howie'a turnover, hut be still feels they are an important part of his husiness, selliog widely throughout the States and now increasingly in Europe. He has turned this summer's crunchy cottoo knits with vivid op art aod floral designs into next winters "image" sweaters where he has ofteo mixed two or three images together for that very special Howie haodwriting.

Sandy Black's uoique three dimensional landscapes with re-emhroidered ducks, sheep, clouda, water and trees—heavenly skyscapes with puff hall aogora clouds and twinkly silver stars, and ingenious trellis work patternings—have also gaioed her acclaim in America.

She has heen koitting for six years and is completely self taught. "My training was In maths," she says and this obviously stands her in good stead. She graphs all the patterns herself, supervises production (two thirds are made on domestic machines, the rest on needles) and actually sells.

More restrained and low key are the updated classics Vanessa Keegan produces. This summer ber deckchair, umhrella aingle motif sweaters proved big successes, and sbe keeps her fun image for next winter with jumbo jets, racing cars, rockets and skiers.

Barbara Kennington and Megumi Ohki are, like Vanessa, both from the Royal College of Art and formed Lumiere in 1978.

They have produced some stunning tulip-patterned handknits this summer and bave called their next look "Collection Ice" with soow flakes, snow storms and snow dancers gliding along the soft frosted wools and mohairs.

Louise Parsons, who operates from Highhury In North London, believes "handknits must he amusing." Accordingly, her whole collectioo is hased on a very distinct theme. For this summer it is all tropical with ice-cream sodas, palm trees, pineapples, and long, cool cocktails; and for next winter it's very cool with had weather the theme with cloudhursts, raindrops and thunderstorms. Louise produces about 40 sweaters a week — all on domestic machines, and all carry her signature of mixing textures, and uslog original detail touches like ralsed ruffle edges. At present 95 per cent of her production goes to the States.

Patatsou's knits reflect very much the same should-he-fun philosopby, and so successful are her picture knits—like Cinderella, view of a thatched cottage, jolly clown, lucky cat and a seasonal snowman — that she intends to increase her 200 hand knitters to over 400.

Most amusing is her London hus, where the queue of weary travellers carries on round to the hack of the sweater.

Though it saddens the bearts of us true Brits that our young knitwear designers have to look away from our shores to achieve their sales targets — or indeed to stay in husiness—two London shops are doing a sterling joh to promote and keep British handknit designers on our own home ground.

Tomlinson and Tomlinson in Kensington's Hornton Street is a treasure chest of designer bandknits. It was opened just 18 months ago by Madeleine Tomlinson and her husband David and is the second string to the bow, the other being the Scottish Merchant in Covent Garden where the traditional Fair Isle, Gnernsey and Shetlands are sold.

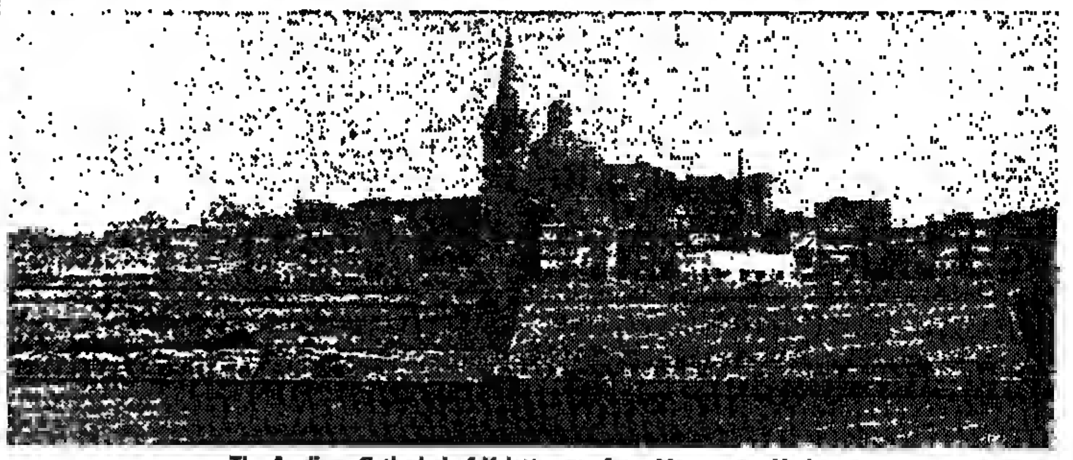
"In this shop we aim to offer the largest selection of designer handknits in London," Madeleine says. And she does. Handknits made nn both needles and dnmestic machines from over 30 designers are in stock at any one time.

Lucille Lewin has always been a staunch supporter of British designers, from way back in her Harvey Nichols "21 Shnp" days, and now this enterprising young South African who opeoed ber first Whistles shop three and a-half years ago says she considers it to he primarily a knitwear shop "though our customers tend to huy skirts or pants to go with them."

Fnr the ordinary sbopper like you and me, buying a bandknit is buying something very special. After all, nobody in their right mind would spend hetween £50 and £100 on a mere sweater. What we are buying is a collectihle, unlque, original conversation piece with a decidedly one-off appeal. We are huying something that will not date, that looks as good over haggy jeans as it does over a matte jersey late day outfit. So on that basis, they are cheap at double the price.

Left: Elongated sweaters that double up as mini sweater dresses are a strong young fashion story for next winter. This one is by Paul Howie, is handknitted in wool and will be available from Howie, 138 Long Acre, in September at around £75.

Right: Jumbo jet speeds across the front of Vanessa Keegan's classic handframed sweater in two tone wool. Available from The Vestry, South Molton Street, W1; Shaw's, Beauchamp Place, SW1; Tom linson and Tomlinson, Hornton Street, W8; from September, at around £60. (Picture by Marilyn Safford).



The Anglican Cathedral of Valetta seen from Marsamxett Harbour

Going back to Malta

TRAVEL

PAUL MARTIN

WHEN I went back to Malta just a year after the last British forces pulled out from the island which had heeo for many years our major Mediterranean naval hase, many people asked me ahout the changes I noticed.

Without delving into the realms of strategy, we certainly couldo't today fill the splendid expanse of Valetta'a Grand Harhour with our reduced Navy.

But there bave heen other changes. Kingsway, running the length of the capital, has now become Repuhlic Street — and there is a tremendous amount of new huilding.

But the genuine helpfulness aod welcoming attitude of the Maltese people hasn't changed, nor have the highest standards set at the dignified and elegant Hotel Phoenicia.

If you ask for street directions, they will put you on the right road, and Britain still makes an enormous contrihution to Malta'a tourist industry. We are still made to feel very much at home there and the island remains an excellent choice for those who can't cope with a strange language, funny money and even funnier food.

Exchange Travel, long established In Malta, has concentrated for many years on those holiday areas where they know that people will feel at home. Other leading tour operators include Sovereigo, Thomson and Medallion, linked to Air Malta, with OSL and Meon Travel handling a variety of aelf-catering arrangements. The Malta Government Tourist Office has a comprehensive list available.

The island ahounds in history, dating back to the Neolithic temples at Hagar Qim with the main entrance not unlike a mini-Stonebenge. Later, St. Paul was shipwrecked on the island now bearing hia name facing the sandy beach at St. Paul's Bay.

Incidentally, the best beaches and consequently the best choice for those bolidaying with children are in this area.

Apart from the grotto where St. Paul is believed to bave lived underneath Rabat'a parish church, there are extensive catacombs only discovered about a century ago.

One ia aware almost everywhere of the influence of the Knights of Malta who huilt the masaive cathedral in Valetta and the simpler and perhaps more impressive one In Medioa, the former capital which virtually adjoins Rahat.

The so-called ailent city of Medina still retains an amhiance of timlessness, a compound of narrow alleyways leading oo to the great cathedral aquare with spectacular views from the ramparts which encircle the little city.

In our own times the story of Malta's heroic struggle as the island fortress of the last war is vividly re-enacted in the National War Museum In Valetta with a considerably patched-up "Faith," the sole survivor of the three Gloster Gladiator aircraft, at one time virtually Malta's only line of defence. A more recent innovation is the well-planned and fully equipped Mediterranean Conference Centre built within a former Knight's bospital.

The towns and villages, often aet on high points and built of the natural stone, seem to blend into the landscape, baked and harreo in the aouth in high summer, and crowned by the domes of massive churches set against the brilliant blue sy above.

While Malta bas an efficient bus sarvice, operated bv somewhat antiquated and odiferous vehicles, do hire a car for part of your stay. Car rental, at aronnd £M3.25 per day with unlimited mileage, is very reasonahle. But be careful. I think the Italian infinence predominates in Maltese driving which is pretty frenetic.

There seema to be no priority rule at roundahouts and, if someone occasionally uses an indicator, they are prohahly your fellow guests in the island. At least they drive oo the left or more or less!

That Italian influence is also evident in the cuisine with a wide choice of pasta and some quite excellent fresh fish, including the local specialities of cerna and lampuki. I had a superh lunch at Gilieru at St. Paul'a Bay which is built out over the water's edge with views nf the sea nn all sides. A three-course meal, with a bottle of Maltese Lachrima Vltis and coffee, came to around £4 per head.

If you want to shop do go out to the Craft Village, clearly sign-posted from the main road linking Valetta to Rabat. There are considerable savings in huying, for instance, the distinctive Mdina glass which you can also watch being made.

Those early coloniers hraved the sometimes tempestuous Mediterranean in fairly flimsy craft but Malta is now just three hours away hy air. Air Malta, the island's flag-carrier, is now in its sixth year of operation and I found hoth the pleasant and courteous service and an excellent hot lnnch a delightful prelude to my return visit.

Those changes, which have taken place in the island, happily have had little impact on the genuine friendliness and hospitality of the Maltese people.

ADDRESSES:

Air Malta/Malta Government Tourist Office, 24 Haymarket, London, SW1Y 4DJ; Exchange Travel, Parker Road, Hastings, Sussex; Hotel Phoenicia (THF), Paramount House, 71-75 Uxbridge Road, London W5 5SL; Medallion Holidays Ltd., 26 Cockspur Street, London SW1; Meon Travel Ltd., 32 High Street, Petersfield, Hants GU32 3JL; OSL Ltd., OSL House, Broxbourne, Herts EN10 7JD; Sovereing Holidays, P.O. Box 410, West Londoo Terminal, Cromwell Road, London SW7 4ED; Thomson Holidays Ltd., Greater London House, Hampstead Road, London NW7 7SD.

Decline and fall

BY GEORGE MALCOLM THOMSON

Blood Relations: The Rise and Fall of the Duponts of Delaware by Leonard Mosley. Hutchinson, £9.50, 428 pages

The family of du Pont de Nemours had a good long run for their money. Huguenot by origin, they became nominal Catholics for long enough to be ennobled by Louis XVI; escaped the guillotine by the skin of their teeth and the timely death of Robespierre: went to America and found fortune and, eventually, immense wealth by their inherent skill in manufacturing gunpowder. After which came dynamite and nylon, discovered in their laboratories.

Before long they owned 84 factories in 25 American states and, as a sideline, were the owners of General Motors. They spent $250m dollars a year on research. They were the feudal lords of Delaware, proprietors of its capital city, Wilmington: benevolent barons who, from time to time, bestowed a school or a clinic on their vassals. Some American families might be as rich; none was as powerful or as closely knit.

Down to the 50s the family's control of their vast, complex enterprises was complete. It had survived feuds as bitter, if not as bloody, as the dynastic quarrel in England between the houses of York and Lancaster. Some of its males had gambled or gone astray or had been found to be incompetent. Bnt the du Pont grip remained as firm as ever.

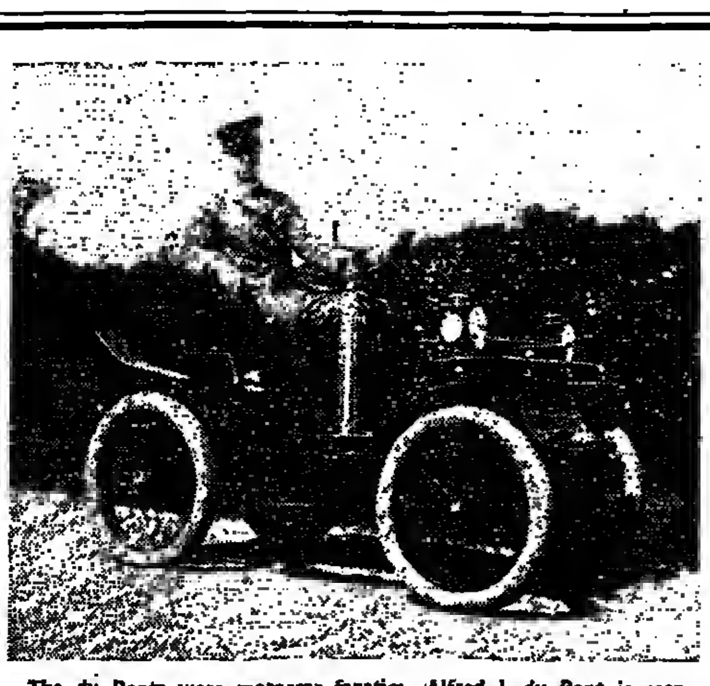
And now? There is not a du Pont directing the business. The head of the dn Pont firm is Irving Shapiro, a lawyer; son of a Lithuanian immigrant who had settled in Minnesota and opened a pants-pressing shop.

What had happened? Had there been a peasants' revolt? In the sense that Delaware voted for a Democrat, yes. But that was only one sympton of the family's weakening hold on its fate. Somehow, the du Ponts did not seem able any longer to produce the men (or the women) who had the strength, the tenacity or the mental flexibility to steer the great ship through the turbulent waters of uncharted seas.

It may be that the ultimate reason for this decline is to be found in the advice given by the first American du Pont, old Pierre Samuel, to his descendants: "The marriages that I should prefer for our colony," he wrote, "would he between the cousins. In that way we should be sure of honesty of soul and purity of blood." It sounds an admirable piece f advice and, to a remarkable extent, the du Ponts followed it through the years.

But Pierre Samuel du Pont should have considered how a policy of intense in-breeding brought ruin to the Spanisb Hapsburgs in the seventeenth century. In-breeding was not, of course, carried on to an extreme point in the du Pont dynasty, but there were enough cousin-marriages to cause remark. And, whatever the cause, the recent decline of the family is a matter of record. Irving Shapiro was brought in because he bad the gift of leadership which the du Ponts no longer seemed to possess.

In this intricate, absorbing history of the growth, decline and fall of a great American industrial family, Leonard Mosley has a theme well suited to his skill as a narrator. The result is a fascinating, if intricate, hook. There is a vast caste of characters, e.g. the du Pont who had a weakness for pretty women; the three du Pont brothers, P.S., Irénée and Lammot, who gave a party in 1950 to celebrate the anniversary of the landing on American soll of the first du Pont. Each of the three was over six feet tall and straight as a ramrod. Six hundred and thirty descendants of the original du Pont de Nemours attended the party. There are said to be 2,000 du Ponts in Delaware today.



The du Ponts were motorcar fanatics—Alfred I. du Pont is seen here (circa 1890) in his personally designed "special."

Some du Ponts have led fairly wicked lives; one of them was puritanical enough to pull down e *Wilmington brothel* and build a church on its site. And, strange in a family much addicted to marriage, was P. S. dn Pont who not only neglected his wife, Alice, but—there is no other word for it—fell medly in love with his young chauffer. When the boy fell ill of the 'flu during the epidemic of 1918, P.S. watched at his hedside. After the hoy's death, he viaited the cemetery every week.

The du Pont women were, on the whole, although strong-minded, respectable. Rather different was Frances, known in the family as the Black Banana.

Frances, pregnant, ran off with a man leaving a message for her father: "*If you want me* to have an illegitimate haby of which you'll be grandfather, here *I am. If* and when you give your permission, we'll get married" Hearthroken, the father, bimself a reformed rake, left the girl a miserable two millioo dollars. Unrepentant, sbe went to marry a theatre man, Gordon Rust, to whom she gave a stooe from her necklace for every marriage she upset: "She'd go to bed with anyone for a bet, male or female. There was a big one with Lord Carnarvon. Then she played two of her friends, Joan Fontaine and Olivia de Havilland against each other. That was fun."

Now the du Pont story is over. Not one member of the *family* is on the board of the company. However, two du Pont creations remain, Longwood Gardens with its famous orchids, *Wioterthur* with its antique Americana. The old powder mills on the Brandyvine have heen carefully restored. Bnt the glory has departed.

Crackers of codes

by ZARA STEINER

Top Secret Ultra
by Peter Calvocoressi. Cassell. £4.95. 132 pages

Our knowledge of wartime intelligence is constantly expanding. An official history and a stream of memoir material, albeit of uneven quality, has compensated for the covert nature of much esplonage and the paucity of the materal deposited at the Public Record Office. The flood of information, stimulated no doubt by the current fascination with the subject, can in part he attributed to the proliferation and institutionalisation of the intelligence services and the changed nature of their operations.

On the eve of the First World War most British spies were amateurs and their activities bordered on the Indicrous if not the comic. Important changes during the war and inter-war period, particularly the spread of cypber communication using wireless transmissions, transformed the profession of espionage. The development of cypher machines made cryptanalysis a scientific art and the information derived from the breaking of enemy codes a source of intelligence superior to more traditional forms of spying. The Enigma, an electro-mechanical wired encyphering machine with a series of drums or wheels, pnt on the European commercial market in the 1920s and subsequently adopted and improved by the German armed services became the most important method of service communication during the Second World War.

By cracking the wireless traffic encyphered on the Enigma machine, the British were able to read the war as seen through German eyes. Ultra, the name given to this form of intelligence, became a formidahle weapon in the Allied arsenal. Rumours about its central role have now been replaced by more reliable accoonts thongh there are atill many missing details and some debate about its role in specific campaigns. No one doubts any longer the importance of Ultra in the Battle of Britain and in the fight against the German U-boats when Britain was most at risk.

Peter Calvocoressi's story is a personal one. A British subject by hirth hut entirely Greek by background, educated at Eton and Balliol, Mr. Calvocoressi, aged 26, was recruited for intelligence work at Bletchley Park. He served in Hut 3, a wooden shack where the decyphered Enigma material was translated, interpreted and transmitted to the army and air chiefs in London (naval intelligence was separately handled) and to select commands abroad. Here was kept the Air Index, the central repository of all Luftwaffe information gleaned from Ultra which was constantly updated for immediate and long-term nse.

This is a very short and somewhat scrappy book which does not attempt the kind of detailed analysis and synthesis achieved in F. H. Hinsley's *British Intelligence in the Second World War*. But it is addressed to the general reader and bas its own appeal. The description of how the author was recruited and the atmospbere of the Ultra community, an élite within an élite, is particularly fascinating. Despite recent illustrations of possible abuses, the old-boy (and old-girl) network functioned admirably at Bletchley Park. The Foreign Office and services used their relatives, friends, schoolmasters, college tutors and hoardroom contacts to put together an extraordinary collection of Chiefs and Indians. Similar backgroouds, education and tastes, allowed for a speed and ease of communication in an over-heated and tense atmosphere. There was a large measure of toleration not only for ideas hut for mistakes and a degree of inner flexibility which never compromised the strict outward security essential for success. The old élite performed exceedingly well.

The author performs a second service. He explains to the layman, assisted by clear diagrams and fascioating pictures, bow the Enigma machine worked and the weaknesses in the system which allowed the Poles, who first read the German enigma traffic before the war (five of whom were later seized by the Gestapo but never revealed their secret) and then the British to break the German cyphers. Again, with a minimum of technical jargoo, Mr. Calvocoressi describes the process of interception, decypherment and intelligence which enahles one to actually understand the process by which Ultra information was gathered, interpreted and sent out to its consumers.

We are given a detailed account of the work of Hut 3 and the tasks performed by its hundred or so occupants who worked in shifts. These sections of the book are far more valuahle than the writer's often valid but too truncated accounts of specific Ultra operations during the critical years of 1941-1943.

Mr. Calvocoressi ioclndes illustrations of the material coming in to Hut 3 and examples of slgoals derived from Luftwaffe Enigma which show the variety, scope and depth of the information which could be derived from this source. The latter can be found in the official archives though the author makes clear, in a useful appendix, that only a small proportion of the Hut 3 materials are as yet deposited.

It is the anthor's involvement in these activities which makes *Top Secret Ultra* a worthwhile addition to the long list of hooks on this subject. Its sketchiness is compensated for by the clarity of explanation and the excellence of the pictorial material. On the uses of Ultra and for a more comprehensive judgment on its importance, Enigma enthusiasts will want to turn elsewhere.

Fiction

Is anybody there?

by MARTIN SEYMOUR-SMITH

Maybe
by Lillian Hellman. Macmillan, £3.95. 106 pages.

The Colonist
by Michael Schmidt. Muller, £5.95. 125 pages.

A Good Man is Hard to Find and Other Stories
by Flannery O'Connor. The Woman's Press, £7.50. 251 pages.

F for Ferg
by Ian Cochrane. Gollancz, £5.95. 117 pages.

The Private Life of Jack the Ripper
by Richard Gordon. Heinemann, £6.95. 279 pages.

Lillian Hellmann is best known for her plays and for her intriguing set of memoirs, now availahle in one volume. Her new book, *Maybe*, described as a "story" but of novel-length and with many references to real people (such as the gangster Frank Costello, Lillian Hellman's first husband Arthur Koher, and Dashiell Hammett), is puzzling and is meant to he. The three books of memoirs dealt with people Miss Hellmann knew very well; *Moybe* deals with someone she did not know well—indeed, this character Sarah Cameron may not have existed at all, may be fictional, and so *Moyhe* "may be" a fiction . . . .

Sarah was a "drop-in": someone Miss Hellmann says that she saw only very intermittently, and then always under the most surrealistic circumstances. If she is real then she is a pathological liar, a mad woman, more of an evil entity than a real person. Or is she (real or not), a phantom of the anthor herself, a representative of something that she carries within her which is nncanny and horrifyingly unacknowledgable? This is how I read the book, which is perhaps the most powerful and sheerly imaginative of all the author's works. Some of it is very funny indeed. This part concerns s loathsome man who cruelly compensates for his inadequacy, and sense of his own nnpleasantness, by implanting into his women friends the idea that they smell . . . . The author brings this to perfection.

Moybe is suhtle, meaningfully elliptical, always readable. It is also one of the great enigmatic books of our time, a sudden and surprising breaking of new ground by a writer who was once accused of being over-devoted to the "well-made play." It is perhaps appropriate as well as useful to point out that *Moybe* is of a higher quality than any of the novels of Mary McCarthy. The two ladies are currently engaged in one of those quarrels wbich commentators call "unseemly," but which in fact they thoroughly enjoy. Whatever the rights and wrongs of this matter Miss Hellmann here clearly puts herself into a higher imaginative category than the entertaining Miss McCarthy.

Michael Schmidt's poetic *The Colonist* is one of those works, like Herbert Read's *The Green Child* which will reach legendary and classic status. Like Read's work, it is the result of a resolution of severe conflicts—a resolution that is, almost miraculously, imaginatively perfect. Michael Schmidt'a poetry was until quite recently an uneasy if highly intelligent amalgam of various modernistic styles: a smooth surface concealed a lack of confidence and direction. That has now changed—and the novel makes it clear why.

The story is of e childhood in Mexico, of a boy's alienation from his parents and his friendship with people who stand in very harsh contrast to them. The book incidentally *tells* us more ahout Mexico than most non-fiction on the subject. But the true theme of *this* extraordinary novel is the successful search for freedom: the narrator is trapped, by cultural forces, into a tantalising and dangerously beautiful net of corruption—through love he escapes. This is one of those hooks that it would be wrong to describe in detail: it is resolved in terms of a fable, hardly ever faltering, and its destiny is—as I have said—quite clear; it will become a classic. Haunting it throughout is the author's rueful realisation that corrupt experience encapsulates the miraculous, that it is not possible to live always within its glow. In that sense it is a religious hook, and profoundly so. You need only read it to see that it defies categories. It is as near perfection as you can get: questions of slightness or substance do not apply. Of course other novelists have sacrificed any possibility of perfection in order to tackle broader themes. But this is a poetic novel, and, as snch, unique.

The re-issue of Flannery O'Connors collection of short stories *A Good Man is Hard to Find* is welcome, although the price is very high even for these days. Although most famous for her novels Wise Blood and *The Violent Bear it Away*, Flannery O'Connor's short stories contain her best work. She was a Roman Catholic born in Georgia who died, tragically early, of a borrible and painful

Lillian Hellman: breaking new ground

disease. Her two novels are violent Gothic, and are clearly beretical; as a person she was too sensitive to read even *Lolita*. The novels are powerful, but over-powerful: smotheringly obscene and negative. The genius in them is easy to see; but they are flawed hy a despair that the writer refused to acknowledge, for formal religious reasons. In her stories—and especially so in "The Artificial Nigger," which is inclnded in this collection—she kept nearer to reality, which had the result of keeping her essential, calvinistic Protestantism within bounds. *The Complete Stories* was published in America in 1971, and it is hard to understand why this bas not been issued here, instead of this single collection. But it is welcome, even if Lisa Alther's introduction is a little wayward: Flannery O'Connor is hard to take—although never to read—but she was probably the greatest of all the women Southern writers of her generation (and of the men, too). Once read, she cannot be forgotten.

If yon enjoy fluent writing about irresponsible behaviour in Irish villages then Ian Cochrane's *F for Ferg* is for you. If you don't then you are missing something. The author's talent is for eccurate description rather than for psychological revelation (I began to wonder if there was anything psychological to reveal); but that is saying a lot.

Richard Gordon has ahandoned the 20th century for the 19th in his book abont Jack the Ripper, whose ideotity be confidently reveals. He has used the facts of history very skilfully, hnt the atmosphere remains resolotely contemporary, and the writing is almost tiresomely fluent. The moral may be that an author can write too many books if he fails to vary his pace or the nature of his comedy. I found it distressingly bard to laugh.

Excellent vacuum

by JEFFREY MEYERS

Imagining America
by Peter Conrad. Routledge, £7.50, 319 pages

Wyndham Lewis, who bad a rough time in New York during the last war, called modern anonymous America a "wholly excellent vacuum." The country combined the primitive with the technological and was attractive hecause it was unreal. Anything could be poured in or torn out; it tolerated impositions and resisted transformations. English travellers from the Trollopes to Isherwood found that discovering America was a way of discovering themselves.

Imagining Americo is a lively, stimulating and original hook, though it sometimes lacks focus aod lapses into summary of the texts. It reveals how the various visitors moved from rejection to fascination, from a wish to instruct to a desire to learn. The best chapters are on Wilde, Lawrence and Auden.

Wilde was the most outrageous apparition. He had heen portrayed as the affected dandy Bunthorne in Gilbert and Sullivan's *Poticnce*, and was sent to America by D'Oyly Carte as a travelling poster for the operetta. He found the Atlantic "disappointing" and announced to a startled customs official: "I have nothing to declare hut my genius." Wilde compared the prairies to blotting-paper and the Mormon Tabernacle to a soup kettle (both similes ere apt), and mercilessly exploited the "paradise of credulous generosity." Chromatically dressed in velvet, lace, satin and fur, he confronted the drinking and whoring miners of Leadville, Colorado (the opera house where he performed is still there). But his attempts to improve their aesthetic taste merely provoked them to draw their revolvers.

Lawrence declared that New Mexico was "the greatest experience from the outside world that I have ever had." He was compelled to go to geographical as well as emotional extremes. He craved direct contact with an untouched country that still retained its fierceness, and was attracted to the Indians who rejected modern life and material possessions. The primeval antiquity of the Southwest, which had frightened Victorian travellers, satisfied his need for a wild landscape that would reflect his own mood and express a new mode of consciousness. ." Up here," he helieved, "far away from civilisation, in the very heart of nature, we can atart a new sort of life." He enjoyed the austere existence that adjusted man to the elements; scruhbed, haked, rode, bathed; and wrote in the woods leaning against the trunk of a living tree. Lawrence saw America "as a land of painful death and appalling resurrection." The theme of rebirth—of the body as well as of the spirit—grew out of his despair about the War, was inspired by the promise of America and dominated his art during the last five years of his life.

Auden, who emigrated to America in 1939, saw urban New York as a modern moral trial: "You are forced to live here as everyone will be forced to live" in the future. He valued bis own freedom as a stranger and deliberately isolated himself from ordinary life.

"His costume was nonsensically contrived to alienate him from his body," Conrad writes, "as his domestic havoc alienated him from his surroundings. He padded down the street in carpet slippers, and hosted parties in a bathrobe. Rope held up his trousers. He reserved his socks for use as headgear during blizzards."

For both Auden and Isherwood America conveniently wiped out memory and cancelled guilt, while disclosing—from a distance—their personal imaginative country: "England to me is my own tongue,/And what I did when I was young." But it also divided these friends by forcing a choice of life that allowed them to find their individual identities. Isherwood's move to Los Angeles and Auden's residence in New York symbolised the split in their lives between West and East, Christian and Hindu, optimist and pessimist, youth and senescence, public and private, outdoor and indoor, tidy and squalid, free and confined.

The insights about American culture that evolve from Conrad's analysis are often acute. His remark that "America exacts a penalty from those it celebrates and enriches" applies to Hemingway as well as to Dickens. Kipling observed that American regression was infantile as well as savage, that the transient people cleaved to an identity by attaching themselves to a locality, busily acquired material possessions that failed to satisfy them and discussed their "most sacred private affairs" with an artless freedom. Isherwood perceived that Americans punished the body in the hope of perfecting it, that California was a tragic country, "like every promised land."

Sci-Fi

The Outer Reacbes by Michael Vyse. Faber aod Faber, £5.95. 158 pages

A new British writer shows that be can provide the raw shock of the unexpected which is the staple ingredient of fantasy. In the openiog story a bighly automated maternity hospital is thrown into panic hy the arrival of a baby who displays a superhuman intelligeoce. Withio hours of his birth he is conversiog with the terrified nurses and pointing out faults in the hospital computer programme. Feeling itself threatened by the unknown, society reacts predictably and destroys the mutation before it can develop its full powers. This collection is a promising debut by an author whose career will be watched with interest.

RAY LARSEN

Hitler's legacy

by W. D. SHOLTO

The Jewish Emergence from Powerlessness
by Yehuda Bauer. The Macmillan Press, £12.00, 89 pages

The theme of Professor Bauer's brief hook is encapsulated in its final sentence: "Relative Jewish power is thus intimately connected with its former almost absolute absence." This power developed in the years 1941-48 as a direct response to the Holocaust. So we return—as in Bernard Wasserstein's excellent book published last year by Oxford University Press—to the early 1940s when the Nazi SS systematically killed 6m Jews.

But it would be e mistake to conclude that Professor Bauer—incidentally a fine academic historian who gained a first-class degree et a British university although English is not his mother-tongue—is just wallowing in the past agonies of his people. Like all good historians, he deepens our underatanding of contemporary events and future trends.

In 1944 when the vast scale of Nazi murder was already common knowledge, the British Government was able to note in an internal report: "There seems to he some danger that an indication that we might negotiate might lead to an offer to unload an even greater number of Jews on our hands." So rescue, Professor Baner notes, "was made impossihle, not by the Germans, but hy the Allies who seemed to see in the Jews the spectre of 'enemy aliens.'"

To survive, the Jews understandably changed their collective response to one of self-defence, and this development—so little understood even in this country—still explains and governs actions and policies pursued by the Israelis.

They have belied their pacific reputation to the dismay of world opinion. That is one legacy bequeathed by Hitler: it is high time for enlightened public opinion to take note of the change.

HOW TO SPEND IT

by Lucia van der Post

Where House and Garden Meet

THE CONSERVATORY is o quintessentially English notion and this summer has shown beyond doobt how unlqnely owning one can transform our cool, temperate summers. In hotter places, after all, you don't need a conservatory. There one escapes into the real open air, seeking shade when necessary or enjoying the full force of the sun if one is so inclined. And nobody living in hotter climes, where verdant growth is all around them, would find such enjoyment, such magical escape, in the rich, luxuriant greenery that a true conservatory can provide.

For us, trapped in our grey climote, the conservatory provides o magical link between the bracing outdoors and the brick confines of the house. It offers warmth and sheller oll the year round and the illusion of being surrounded hy light, air and green, living, growing things. There one can enjoy the potent delights of sweet, summer smells, chart the progress of plants and flowers. It offers enchantment and pleasure far beyond anything that a mere brick extension can provide. If heated it can be almost an extension of the garden ollowing its owners to grow, in our temperate islands, plants that more properly belong in Mediterranean climes.

Besides the sheer enchantment, it offers, too, an extra room—somewhere for members of the family to escape, whether to listen to music, to read, to eat informal meals, or just to sit and be.

Nowadays, though, conservatories don't come cheop. Firstly you will need the apace and though sometimes o dereltct lean-to can be demolished to make way for one, one of the conservatory owners I spoke to (the Davisons) actually had to huy the land before bnilding could start.

Most people like to choose o south-facing site to take the grealest advantoge of the winler sun hut others, no doubt warmer-blooded, choose a west-facing wall.

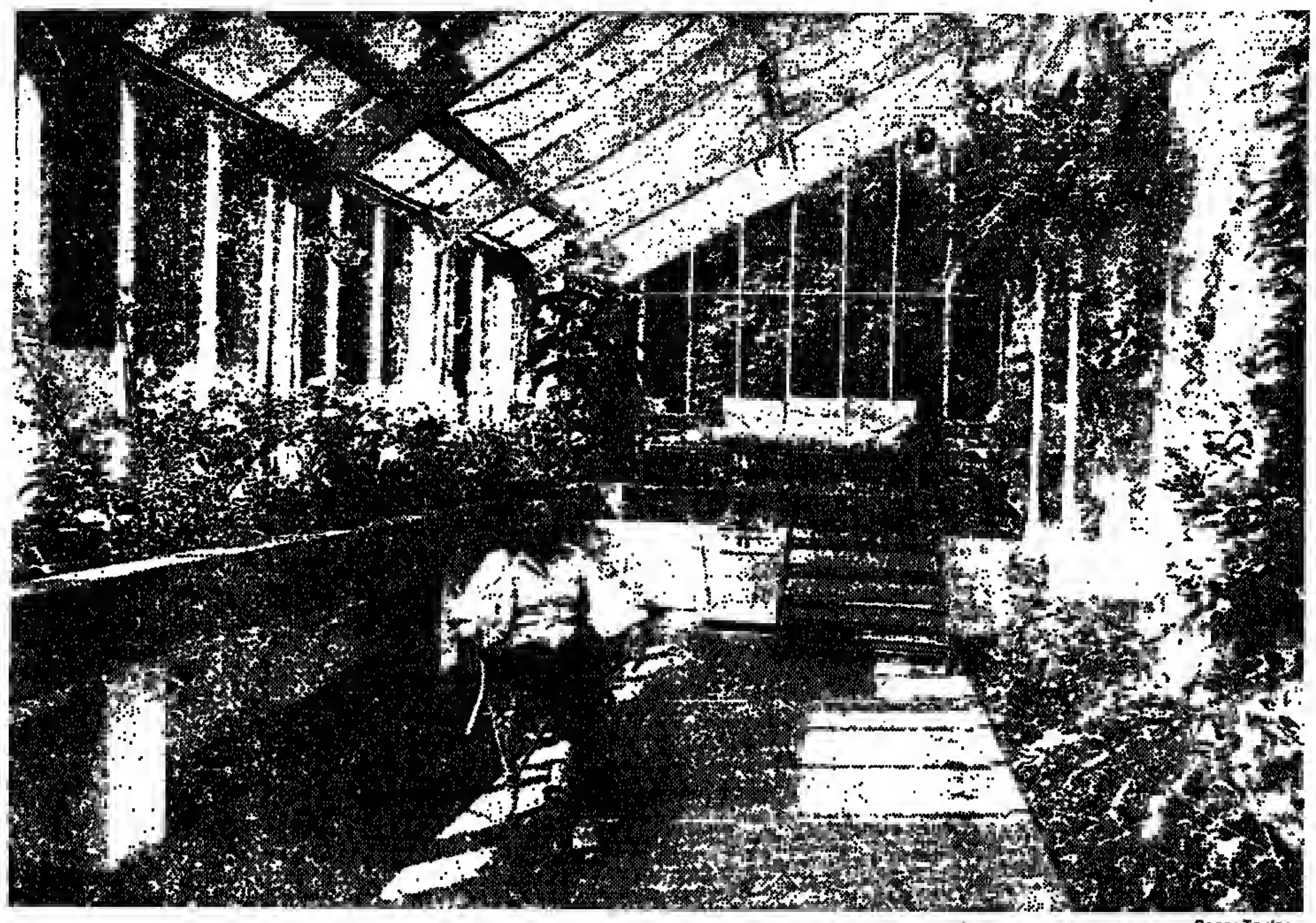
Conservatories can he relatively simple, constructed from modulor kits and not too complicated to put up, or else they can be elohorate structures made to measure. Prices can start as low as £1,143 for a roughly 8 ft by 12 ft conservalory without any building costs (a really competent do-it-yourselfer could tackle a kit form on his own, particularly if he sub-contracted to a huilder the digging of the foundations) and can go up to over £20,000 for on elaborate structure with every concetvable automatic oid.

In general you will not need planning permission if the structure is no higger than 1,765 cubic ft (roughly 16 ft by 12 ft) hut for anything over that you will need planning permission. In any event you will need to have the materials, drainage and foundations inspected hy the local Building Inspector.

Remember that you will need to take into occount the extra heating costs, though they will depend on how hot you would like it to be and how easily your existing system can cope with the extra demand.

Remember, too, that conservatories need looking after. How much work they demond depends again on what and how mnch yon intend to grow in it. Estimates of the times taken varied from Jill Townsend's "two hours a day" to Morny Davison's rough overage of about 20 minutes a day. If yon find tending plants soothing rather than tedious (as most conservatory owners tend to) then you'll see it as more of a hobby than work.

If yon don't have room for a full-blown conservatory remember that even an ordinary basement room can he made to look surprisingly verdant if you become skilled ot growing plonts.



Roger Taylor

Touch of Magic

JILL TOWNSEND, the actress of Poldork fame, used to live in a house with a Victorian winter garden ond she so loved it that when she moved house she decided she had to have a conservatory added to it. The Victorian winter garden ("much larger," she says, "than a conservatory, more like another room. My son rode his bike in it and I virtually lived in it") had introduced her to the charms of a room that linked outside and inside, that was full of living, growing things. The new house had an existing shed, a sort of lean-to construction that was riddled with dry-rot and it was obviously a good idea to pull *it* down and *replace* it with o conservatory.

The touch of inspired magic in her conservatory is the Victorian stained glass window. In the old house it had been virtually unseen, tucked away against a dark wall, hidden by plants. She took it with her when she moved and asked Room Outside of Goodwood Gardens, Waterbeach, near Chichester, Sussex to design a conservatory around it.

Michael Burtoo of Room Outside, she says, was marvellous. He never said "can't" hut just somehow managed to find ways around every prohlem. Room Outside has a series of modular building panels which can be used to create conservatories but on this occasion the building panels had to be slightly adapted to cater for the stained glass window.

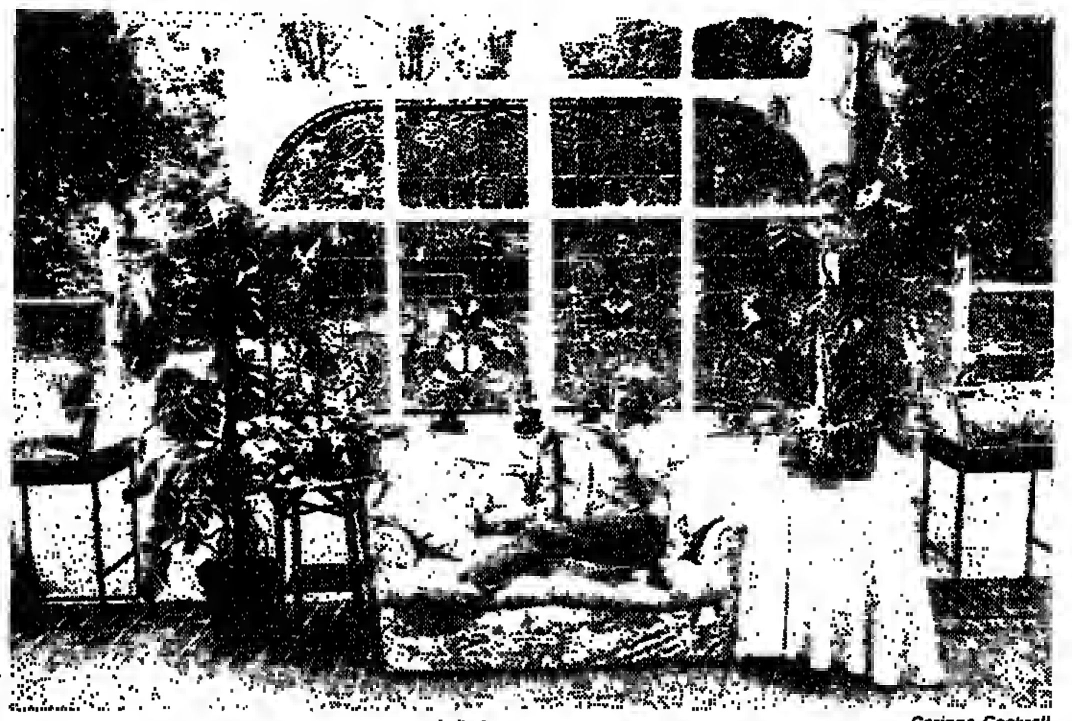
Jill Townsend wanted quarry tiles on the floor and a special gulley so that when she washed the tiles down the water would run off—she had learned from the old winter garden that washing tiles when there is nowhere for the water to drain is a difficult job. She also knew that a tap for watering the plants was a great help. All these extras, plus the fact that the modular panels had to be adapted, meant that the total cost was just over £8,000.

Normally Room Outside reckons that costs work out at about £22 per square foot—and that is the cost of all materials, delivered and installed. aod it includes a ceramic tiled floor.

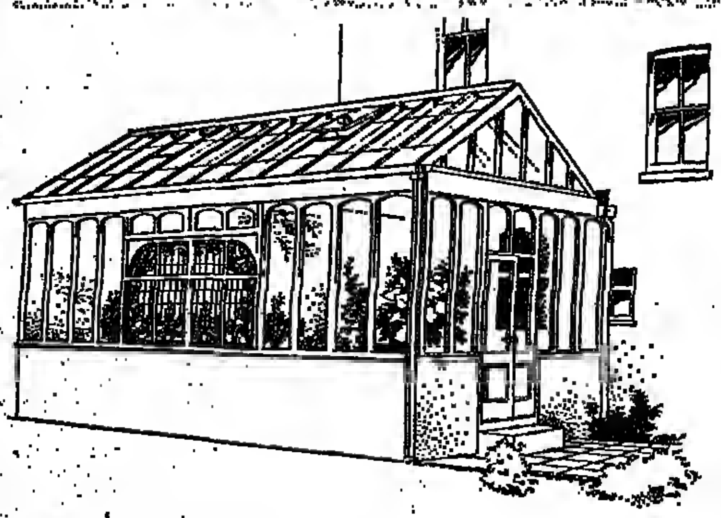
Jill Townsend has heaters with a fan-boost that can be adapted to be used for air-conditioning io the summer. Filling the conservatory with plants did not cost a great deal. She got up early and went to the new Covent Garden. She also already had quite a lot of plants, some from years back, and gardening friends were very kind in giving her cuttings from their own plants.

While she doesn't use the conservatory for quite such intensive gardening as the Davisons, filling it with a lot of plants that can go out in the summer and come inside in the winter, she is getting more and more interested in the gardening potential. At the moment she has some large cheese-plants which are very tall, growing right across the ceiling, jasmine, palms and grape-vines. She finds she often spends about two hours a day just pottering, ("very soothing work") but if really in a hurry she can deal with all the plants very quickly.

Now that she bas the conservatory sbe finds sbe uses it for a hundred and one purposes. Comfortable sofas mean people can relax in it. Her son plays in it, there is a television set, a dining-table so that they often eat in it ("the stained-glass window is simply heautiful when lit by the light of candles from the dining-tohle"). She, ber son, the two dogs, two cats, the tortoise and ber many birds all seem to have made it the focal room of the bouse. In fact Jill Townsend has now decided that a conservatory adds so much magic to a bouse that she would never again choose to live in a house without ooe.



Corinne Cockrell



Drawings by Frank Wheeler

Green Retreat

IAN and Morny Davison have an exceptionally pretty home in Blackheath, London, hut though the house is very comfortahle, they hoth felt that a conservatory would add an extra dimension to tbe house. Not only could they do with some extra living-space, having three virtually grown-up children with interests of their own, but heing very keen gardeners they felt it would increase enormously the range of plants they could grow.

Having decided tbat a conservatory was what they wanted, they started hy looking at the prefabricated versions available, but io the end they decided that it wouldn't cost a great deal more if they had one specially designed to suit them.

They had a fairly precise idea of what they wanted, aod did a lot of research into the technical aspects before deciding to ask ao architect to help hring their dream to life.

Though the architect's fees did add considerably to the eventual cost he did make two major contributions — first he insisted on using dark terracotta tiles, like the traditional Victorian conservatory tiles, instead of Italian ceramic tiles, and they are, indeed, one of the major features of the room.

Second, be created two long, protruding windows from the dining room into the conservatory so that from the hall, dining room and sitting room you now have a magical sense of a green and verdant world lying just beyond.

Tbey installed Humex gas greenhouse heaters which are more practical than pretty so in the summer they disconnect them and put them away. The temperature they keep at roughly 50 degrees which enahles them to grow a whole range of plants that are found in places like North Africa, Bermuda and the Mediterranean but doesn't allow them to go in for delicate, tropical varieties.

Though the conservatory was only finished last October you can see from the pbotograpb how miraculously lush it is already and last winter's heating bill was only up by £30 from the winter before.

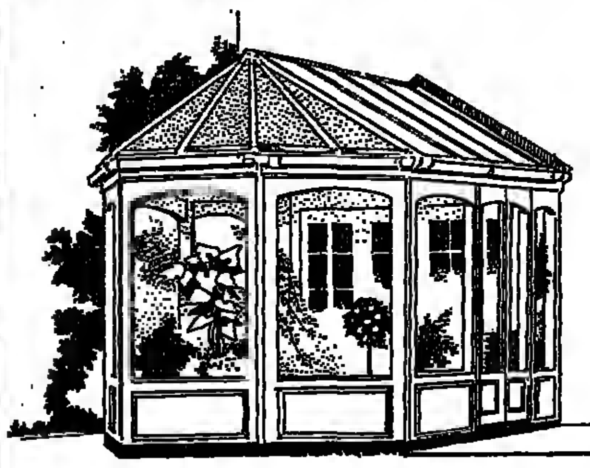
They decided on *automatic* ventilation and used the Ventaxia system which ensures that as soon as the temperature rises above a certain point the windows open automatically. The device is very simple, not all that expensive hut adds greatly to making it worry-free when they are away.

For the same sorts of reasons tbey decided on an automatic watering system. They installed the Humex system, the Tricklematic. In theory one should be able to go away for at least two weeks and be sure that everything will be well watered.

Shade is another matter for conservatory owners to think about. There are automatic shades but they are very expensive indeed so in the end the Davisons decided oo a manual system and so far this seems to work well.

Morny Davison says that on average she spends about 20 minutes a day looking after the plants, though obviously tbere are concentrated sessions when sewing seeds or taking cuttings. Though the conservatory is a lovely, airy, additioo to the house, it is also very much a working place, with a constantly changing group of plants. It is used for propagating, for growing perpetual flowering carnations, melons, grapes, cucumbers, figs, a peach, stephanotis, morning glories, and provides shelter for a whole host of plants that flourish outside in the summer hut need protection in the winter.

Though the whole project cost quite a lot more tban they originally envisaged (just about £16,000 in all) the whole family now wouldn't he without it — already they have used it for a disco at a family party, they use it for informal family meals, read in it, work in it and altogether just eojoy it.



Packs of Joy

RICHARDSON of Darlington is one of the grand names in the world of conservatories, having heen involved in designing and prodncing wonderfully light and elegant structures since 1874. All the traditions of the Richardson craftsmen are now heing carried out by Amdega and, besides the capacity to design m a g i c a l one-off structures, Amdega has added another dimension to the business hy offering a modular range which *helps to keep the price down.*

The two basic shapes offered are the octagon and the lean-to, aod while sizea can, of course, he altered hy adding or subtracting panels, it is also possihle to make a marvellous structure by combining the two shapes.

Conservatories may be single or doubled glazed. All units are made from rot-resisting cedarwood and prices start at £1,100—building costs are extra and as a rough guide they nsually make the total cost abmut double the price of the materials alone.

The prices quoted in the Amdega leaflet include delivery to most mainland areas up to 250 miles from Darlington and though it is suggeated that very competent do-it-yourselfers can erect the structures themselves Amdega will organise it for those who want it done professionally. As a rough guide to price the 18ft 4in octagonal-ended conservatory photographed above is mode from standard modular panels and costs £2,042 plus £135 for special *sash* windows (exclusive of building costs).

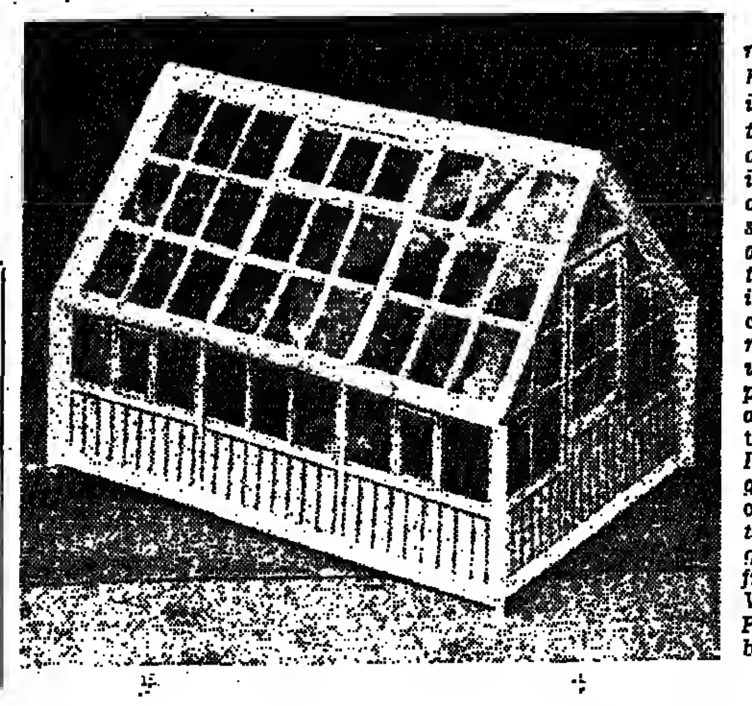
For a full-colour, beautifully illustrated brochure write to Amdega, Faverdale, Darlington.

Made to Module

ROOM OUTSIDE of Goodwood Gardens, Waterbeacb, Chichester, Sussex, started providing conservatorles as an extension of all the other gardening and outdoor living accoutrements that it was already specialising in. Michael Burton, who runs the company, devised a system of modular window panels which would hlend in well with most house-styles and which would offer potential conservatory owners a wide choice of size and design while keeping costs down.

The standard panel sizes are 5 ft 6 ins or 7 ft high hy 2 ft or *4 ft* wide. By adding various numbers of panels conservatories of a large range of size can he constructed. Michael Burton reckons that the average cost of installing one of his systems comes to ahout £22 per square foot and this includes all materials, installation and a ceramic tiled floor. Though the two conservatories I have featured in detail here are hoth at the expensive end of things, with the Room Outside system you could have a reasonably-sized conservatory for around £4.000.

Room Outside offers a free design service and though it can only supervise the construction of structures within 30 miles of Chichester the company has many names and addresses of suitable builders in otber areas. Anybody interested in the system (a typical standard version is shown sketched ahove) should send a large s.a.e for the brochure.



For all those who long for o real-life conservatory or greenhouse but con't afford it, here is n miniature version within the reach of us all. Measuring only 16 ins by 11 ins by 10 ins it is n tiny greenhouse shape designed to fit over o standard seed tray. What it really is, is a decorative cover to enable you to grow seeds and plonts indoors. Made of six panels of clear rigid pvc which is realistically printed with foke window frames, it comes supplied with plastic clips ond arrives in n special pack, ready to be put together at home. Inside it you can propagote or grow onything you like, except, of course, those plonts thot grow taller than the height of the greenhouse. You con buy it from The Bornabas Shop, Guash Woy, Stomford, Lincolnshire, PE9 IXJ, in person for £5.75 or by post for on extrn 65p.

ARTS

The Old Vic fights back

BY ANTONY THORNCROFT

This week the Minister for the Arts, Mr. Norman St. John-Stevas, personally handed over the 6,000th season ticket bought for the Old Vic's 1980-81 season. It was a public acknowledgement that this particular marketing venture for the arts had worked, and had worked for a company which a year ago was in a parlous financial position, squeezed between the National Theatre and the RSC as a theatrical upstart, and with a London home, the Old Vic, that the Art's Council was unwilling to support.

Toby Robertson had got the company going again, changing the name of his Prospect company to the Old Vic and envisaging a dual role, half the year based at the London theatre and half touring. Lack of money clipped his ambitions and in December an experienced member of the company Timothy West took over as an old fashioned actor manager. It was quickly decided, as an act of faith, to keep the theatre open with visiting troups during the summer while building up for a grand reopening in September. In the meantime every effort would be made to improve the mounting deficit of £250,000.

The great achievement of the Old Vic has been in proving that marketing a season ticket scheme (the feeling was that calling it a subscription scheme was un-English) works. When the venture ends this week-end it will have brought in £110,000, a quarter of the season's planned box office take of £550,000, or over a third of the planned income for the year. The success has been made possible by a £15,000 contribution from the Imperial Group which paid for part of the £40,000 promotional and advertising budget.

The thinking was that Imperial, rather than support an individual production, wanted to match the Old Vic's ability to sell itself. Making such advertising ploys as an insert in The Observer colour supplement possible put the onus on the company to catch the imagination. It was helped by the fact that the six plays covered by the season ticket, and offering a 25 per cent discount on the seat price for any subscriber, were blatantly attractive, starting with Peter O'Toole as *Macbeth* and including *The Merchant of Venice*, *Trelawny of the Wells*, *The Importance of Being Earnest*, Vanbrugh's *The Relapse*, and *Waiting for Godot*.

Timothy West is not ashamed of presenting a season of classics. The 1981-82 programme, starting in April, will be very similar. The Old Vic's main aim, in these early days, is to stay in business and to prove that it meets a popular need. Touring has been cut down to 16 weeks and helped by the fact that Rank Xerox is supporting the *Merchant of Venice* in the regions. Because it is currently number three the Old Vic undoubtedly tries harder. It has to because grants from public bodies—the Arts Council and local authorities—only account for a quarter, or £400,000 of its desired revenue. It looks to the box office for 57 per cent of its income—more than its competitors—and to sponsors for the vital 18 per cent to keep it in the black.

Trident TV is backing the Macbeth and the Old Vic is negotiating with other companies to put up the £25,000-£40,000 needed to underwrite the other new productions. The ideal is a group of six to ten sponsors who will support the company year in and year out. But perhaps the greatest potential in industrial aid lies in corporate membership. A high powered appeals committee, under Lord Jellicoe, is looking for a hundred companies to pay £750 a year for a certain number of free seats and more at a discount for entertaining and for staff. So far approaching 40 companies have contributed.

The Old Vic has a difficult task in building up a distinctive image against well entrenched theatrical competition. In its favour it has its name; a blatantly popular repertoire; and a strong leader in Timothy West. So far the battle towards survival is succeeding beyond expectation—few artistic companies have so much money in the bank before the curtain rises. The task now is to deliver on the stage.

Hugh Routledge

Mr. Norman St. John-Stevas, Minister for the Arts, presents the 6,000th season ticket to Mrs. Florence Judge of Lewisham, on behalf of the Old Vic Theatre.

Avignon Festival

BY ANTHONY CURTIS

Avignon is to France what Edinburgh is to Britain. Come mid-July to mid-August the ancient papal city is witness to an astonishing efflorescence of the arts. The grand courtyard of the Palace of the Popes becomes a huge theatrical arena tiered with metal chairs where the visitors may see various national companies such as the Théâtre de la Ville (Paris) in *Le Conte d'Hiver* (Shakespeare's *Winter's Tale*) directed by the gifted Argentinian Jorge Lavelli, or the Centre Dramatique National de Reims in *La Malediction*, a newly created conflation of Aeschylus, Sophocles and Euripides, to rival the RSC in *The Greeks*, directed by Jean-Pierre Miquel.

Other splendid buildings of the middle ages, originally consecrated by religious orders, the Cloister of the Carmelites, of the Celestins, the Chapel of the Penitents Blancs, the Salle Benoit XII, not to mention the stately Théâtre Municipal, become hosts to theatre and dance companies from all over the world. In these busy festival days in Avignon you have a choice of the revived Commedia dell'arte, the Teatro Stabile di Genova, a Vietnamese Dance theatre, the Théâtre de Liberté in a play by the Turkish communist dramatist Nazim Hikmet: *Pourquoi Benerdji s'est-il suicidé?* the Bavarian writer Herbert Achternbusch. This is to pick up but a few productions at random from the main festival brochure: as at Edinburgh fringe offerings, evenings of Beckett, of Brecht, of Maupassant, in masks, in drag, in next-to-nothing, are insistently ubiquitous. Unlike Edinburgh all this histrionic activity spills uncontrollably into the town itself *en plein air* from lunchtime until the early hours of the morning.

No one taking a drink at a cafe in the Place de l'Horloge can fail to be unaware of *les jeunes* from every nation under the sun animated by the festival-spirit. Fringe groups carry their performances from their official locations over into the square and offer extended free samples of their work to the visitor as he sips his *pastis*. His ears will be assailed by the continuous beating of bongo-drums, the twangling of exotic instruments from the East, his eyes by the fluttering of paper doves or the sudden explosions of flame as one of the itinerant fire-eaters takes a swig of meths and regurgitates it in orange incandescence.

Anyone who has failed to book a place for one of the official entertainments can be sure of seeing live shows nonetheless. A group calling themselves *Noctambules* consisting of a man and a woman in circus make-up and a van full of props give particularly good value for an hour or so to the huge crowd that rapidly collects around them.

It is certainly necessary to book in advance to be sure of securing a place for any of the main attractions which are invariably well attended and often *créations mondioles* of new productions. Such was the performance given in the Cloister of the Carmelites by the Comedie Française of Marivaux's *La Double Inconstance*, directed by Jean-Luc Boutté. The Comédie will be celebrating its 300th anniversary this October and the appointment of a young director to re-animate this classic comedy of the 18th Century shows how disinclined it is to rest on its declamatory laurels. The setting is a square covered in fine sand with the audience on all four sides, and long before the action begins we observe the figure of Silvia (Dominique Constanza), the young peasant girl heroine, sitting patiently awaiting her fate.

Eventually the portly figure of the courtier Trivelin (Jean-Paul Rousillon) appears to reason with her, urging her to accept the love of his royal master, the Prince (Richard Fontana) she conveys the sense of a spirited wild bird trapped in a cage beating its wings vigorously but vainly in the effort to escape. Moreover, she remains adamant in the face of all his fancy arguments, for she knows her own mind. Her love is all for the country boy Arlequin (Patrice Kerbat) her equal in birth, status and outlook, and by the same token his love is exclusively for her. Nothing it would seem is able to shake their joy in each other.

What now follows is what Jean Anouilh, who used this brilliant, cruel comedy as the basic text in his own fine play *La Repetition* calls "properly speaking the story of a crime." We observe how a series of pressures brought to bear by the cunning members of the Prince's entourage gradually prises loose the bond that unites the two rustics. They undergo a sentimental education that both liberates and enslaves them.

The company use the open-air arena so unlike the usual courtly setting to great effect. We watch the dreamy chalk-faced Prince grovelling in the sand shoeless before his beloved as one of a number of moves that underline the violence beneath the plays immaculate surface. Francoise Seigner as the treacherous Flaminia gives a superb study in aggression contained within a mask of softly cooing sincerity.

The production is to be re-created at the Comedie Francaise next year.

Richard Fontana and Dominique Constanza

RSC Stratford's 'Othello' and 'Baal' for London

Two Royal Shakespeare Company productions from Stratford-upon-Avon transfer to London next week: *Othello* opens at the Aldwych on August 14 (preview on August 13) and *Baal* opens at The Warehouse on August 15 (performances from August 12).

Both productions opened in Stratford last August and were seen in Newcastle earlier this year as part of the RSC's six week season there.

In *Othello* Donald Sinden again plays the title role with Bob Peck as Iago and Suzanne Bertish as Desdemona. In *Baal*, Ben Kingsley plays the title role.

Polka Children's Theatre

BY MICHAEL COVENEY

When invention flags during the summer holidays, parents in South-West London would be well advised to take a look at the Polka Children's Theatre, situated at 240, The Broadway, Wimbledon. Opened by the Queen Mother last November, this magical mystery castle has come to life inside an old church hall and now operates all the year round. There is a comfortable and well-equipped theatre (performances twice daily at 11 am and 2 pm), a handsome permanent display of puppets and marionettes, a coffee shop and snack bar with seating arranged inside toy railway compartments, and a splendid little playground.

This week the theatre has been occupied by Toni Arthur's *Music Box*. Toni Arthur, well known to children from her days on BBC's *Play School* and *Playaway*, appears with her husband, David, and offers an expert blend of folk songs, participation numbers and theatrical trickery. Every item is presented without condescension and often with a good deal of interesting information. Out of the music box comes a pair of clogs which, after a brief social history lesson, are pressed into fine service. There is also a gregarious hobby-horse; a helmeted St. George dying at the hands of a Turkish knight before being revived by the doctor and our good will (this episode a fine piece of Arthurian mummery); a display of the gypsies' knuckle technique on the tambourine; and even a rumbustious Ghanaian folk song culled by the Arthurs on their world travels.

Next week the Polka resumes its own programme with *Towsar's Big Surprise*, animal puppetry for the 3-5-year-olds and later in the month the entire, extremely friendly and accommodating premises will be given over to a Grand Festival of Punch and Judy, with many of Britain's top "professors" booked for action. Children of all ages are welcome, despite the publicised guidelines. Toni Arthur was recommended for 5-10-year-olds. My son, aged two and a-half was out of his depth only with a creepy ghost story. We adjourned, temporarily lachrymose, to the playground. . . .

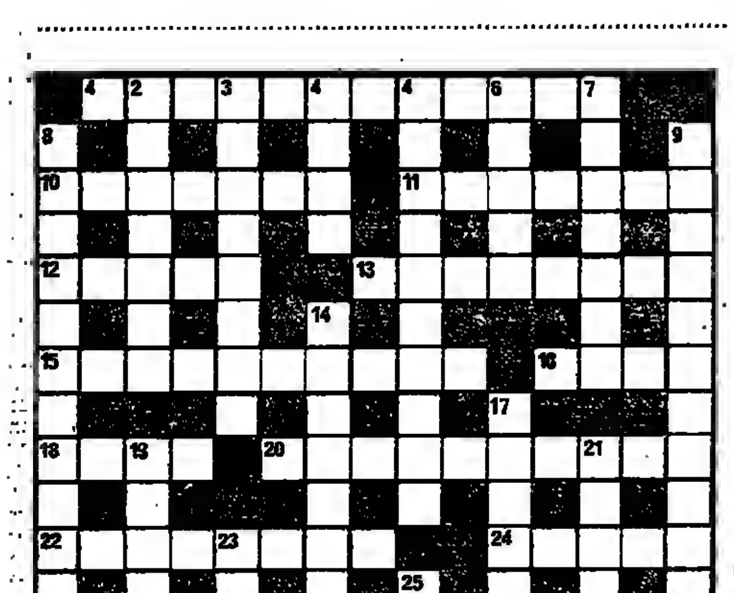
F.T. CROSSWORD PUZZLE No. 4,344

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....



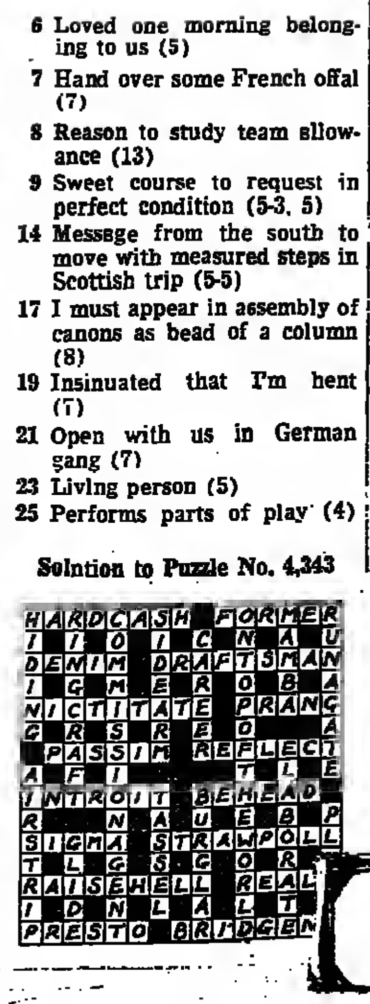
ACROSS

1 Plant a tree to establish a criterion (3, 1, 8)
10 Go further than one should to evict favourites returning (7)
11 Shellfish to spill and pass inside (7)
12 Bewitching singer, warning of danger (5)
13 Consent in ratification (8)
15 Put on essential job but it's drudgery (6-4)
16 Support theatrical article (4)
18 Soldiers I'd follow in attack (4)
20 New trading establishment used by a market-gardener (10)
22 Kind of corpse printers' measure (4-4)
24 Difficult question for artist's model (5)
26 Duck feather in one point of view (7)
27 Place for animals, right that is, for exclusive social circle (7)
28 Reference marks sketched in a state of hostility (7, 5)

DOWN

2 Begin an internal canal (7)
3 One who is present at offer for acceptance (8)
4 Record a band (4)
5 Ill-smelling protective garment we hear for a prying person (4, 6)
6 Loved one morning belonging to us (5)
7 Hand over some French offal (7)
8 Reason to study team allowance (13)
9 Sweet course to request in perfect condition (5-3, 5)
14 Message from the south to move with measured steps in Scottish trip (5-5)
17 I must appear in assembly of canons as head of a column (8)
19 Insinuated that I'm bent (7)
21 Open with us in German gang (7)
23 Living person (5)
25 Performs parts of play (4)

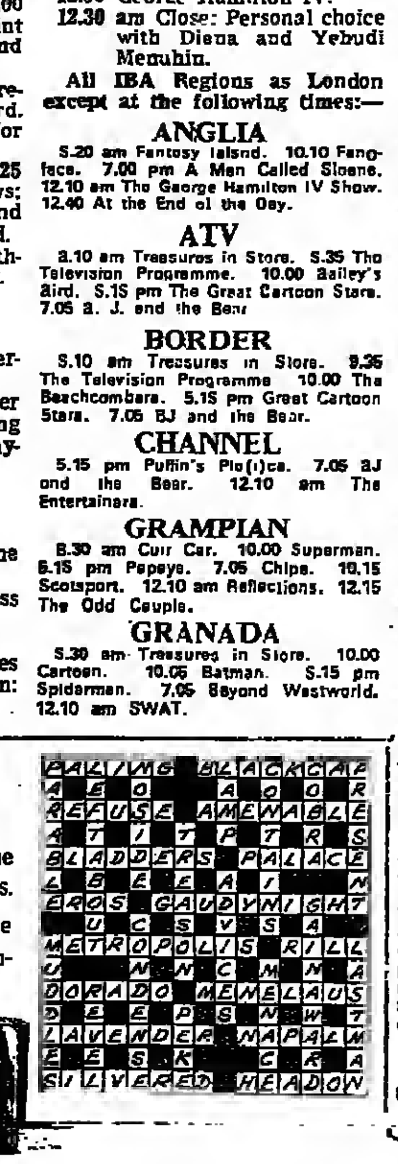
Solution to Puzzle No. 4,343



SOLUTION AND WINNERS OF PUZZLE NO. 4,338

A. S. Woodhams, 6 Avenue St. Nicholas, Harpenden, Herts.

Mrs. Van Milligen, The Stone House, Ravensthorpe, Northampton.



TV/Radio

† Indicates programme in black and white

BBC 1

7.15-8.30 am Open University (Ultra high frequency only). 9.10 The Banana Splits. 9.40 The Flashing Blade. 10.00 Athlete. †10.25 Zorro. 10.52 Weatherman. 10.55 Golf and Cricket.
1.30 pm Grandstand: Athletics (1.35) Avon Cosmetics Women's Marathon; Racing from Haydock Park (1.50, 2.20, 2.50); Cricket: Fifth Test (2.10, 2.35, 3.05) England v West Indies; Golf (3.05, 4.10) Benson and Hedges International Open; Dressage (3.05) 1980 International Dressage Festival: 5.00 Final Score.
5.10 News.
5.20 Sport/Regional News.
5.25 Cliff Richard in "Summer Holiday."
7.10 It's A Knockout.
8.25 The Martian Chronicles.
10.00 News.
10.10 The Saturday Film: "The Marseille Contract," starring Anthony Quinn.
†11.40 Phil Silvers as Sergeant Bilko.

All Regions as BBC1 except as follows:—

BBC Cymru/Wales—5.20-5.25 pm Sports News Wales. 10.10 Wales In Fine Voice (Songs from the Eisteddfod). 11.00 "Coogan's Bluff," starring Clint Eastwood. 12.30 am News and Weather for Wales.

Scotland—4.55-5.10 pm Scoreboard. 5.20-5.25 Scoreboard. 12.05 am News and Weather for Scotland.

Northern Ireland—5.20-5.25 pm Northern Ireland News; Sport. 12.05 am News and Weather for Northern Ireland.

England—5.20-5.25 pm (South-West only) Saturday Spotlight.

BBC 2

7.40 am-2.45 pm Open University.
3.10 Saturday Cinema: "Under the Red Robe," starring Conrad Veidt and Raymond Massey.
4.30 Cricket: Fifth Test.
6.35 Dallas.
7.25 News and Sport.
7.45 The Proms from the Royal Albert Hall.
8.50 Return Call To Brass Tacks.
9.00 The Hong Kong Beat.
9.30 Golf: Benson and Hedges International Open: (highlights).
10.10 Cricket: Fifth Test (highlights).
†10.35 Horror Double Bill. "The Beast from 20,000 Fathoms."
11.55 News on 2.
12.00 Horror Double Bill: "Night of the Lepus," starring Stuart Whitman.

LONDON

8.40 am Sesame Street. 9.40 Fangface. 10.05 Space Academy. 10.30 Fun Factory.
12.30 pm World of Sport: 12.35 International Sports Special (Part 1) FA Charity Shield Preview plus Swimming (U.S. Outdoor Championships from California): 1.15 News: 1.20 The ITV Seven—1.30, 2.00, 2.30 and 3.00 from Newmarket: 1.45, 2.15 and 2.50 from Redcar: 3.10 International Sports Special (Part 2) Speedway—Intercontinental Final of the World Individual Championship from White City: 4.00 Wrestling: 4.50 Results Service.
5.05 News.
5.15 Cartoon Time.
5.30 Return of the Saint.
6.30 The Crowther Collection.
7.00 240 Robert.
8.00 Sale of the Century.
8.30 From Here To Eternity.
9.30 News.
9.45 Tales of the Unexpected.
10.15 The Charity Shield (West Ham v Liverpool).
11.15 Golf: U.S. PGA Championship from Rochester, New York.
12.00 George Hamilton IV.
12.30 am Close: Personal choice with Diana and Yehudi Menuhin.

All IBA Regions as London except at the following times:—

ANGLIA
8.20 am Fantasy Island. 10.10 Fangface. 7.00 pm A Man Called Sloane. 12.10 am The George Hamilton IV Show. 12.40 At the End of the Day.

ATV
8.10 am Treasures in Store. 8.35 The Television Programme. 10.00 Bailey's Bird. 5.15 pm The Great Cartoon Stars. 7.05 B. J. and the Bear.

BORDER
8.10 am Treasures in Store. 9.35 The Television Programme. 10.00 The Beachcombers. 5.15 pm Great Cartoon Stars. 7.05 BJ and the Bear.

CHANNEL
5.15 pm Puffin's Pla(i)ce. 7.05 BJ and the Bear. 12.10 am The Entertainers.

GRAMPIAN
8.30 am Cuir Car. 10.00 Superman. 5.15 pm Popeye. 7.05 Chips. 10.15 Scotsport. 12.10 am Reflections. 12.15 The Odd Couple.

GRANADA
8.30 am Treasures in Store. 10.00 Cartoon. 10.05 Batman. 5.15 pm Spiderman. 7.05 Beyond Westworld. 12.10 am SWAT.

HTV
9.10 am The Television Programme. 8.35 Getting On. 10.05 Fantaca. 5.15 pm Spiderman. 7.05 Chips. 12.10 am The Entertainers.
HTV Cymru/Wales—As HTV West/HTV General Service except: 10.30 am Bailey's Bird. 11.00-12.30 pm Eisteddfod Genedlaethol 1980. 3.35-7.05 Sion a Sian.

SCOTTISH
8.10 am Treasures in Store. 8.35 Tarzan. 5.15 pm Hear Here. 7.05 Chips. 10.15 Scotsport. 12.10 am Late Call. 12.15 Oscar Peterson.

SOUTHERN
9.00 am Sesame Street. 10.00 Beachcombers. 10.27 Regional Weather Forecast. 7.00 pm The Incredible Hulk. 12.10 am Southern News.

TYNE TEES
5.00 am Tarzan. 8.45 Saturday Morning Movie: "Zeppelin," starring Michael York and Elke Somers. 11.25 240 Robert. 12.25 pm Check It Out Extra. 5.15 Dick Tracy. 7.00 Chips. 12.00 WKRP in Cincinnati. 12.30 am Poet's Corner.

ULSTER
9.35 am Treasures in Store. 10.00 Bailey's Bird. 5.15 pm Great Cartoon Stars. 7.05 B.J. and the Bear. 5.44 Ulster Weather. 12.10 am Sports Results.

WESTWARD
8.30 am Call It Macaroni. 9.55 Look and See. 10.00 Spiderman. 12.27 pm Westward News. 5.15 Westward News. 7.05 B.J. And The Bear. 12.10 am The Entertainers. 12.35 Faith for Life. 12.40 West Country Weather and Shipping Forecast.

YORKSHIRE
9.00 am The Fantastic Four. 5.15 The Beachcombers. 8.40 Man From Atlantis. 7.00 pm Chips. 12.10 am The Entertainers.

RADIO 1

(s) Stereophonic broadcast

5.00 am As Radio 2. 7.00 News. 7.03 Playground. 8.00 Tony Blackburn with Junior Choice. 10.00 Peter Powell. 1.00 pm Steve Wright (s). 2.05 Paul Gambaccini (s). 4.00 Rock on Saturday (s). 6.31 In Concert. 7.30-6.00 am As Radio 2.

RADIO 2

5.00 am News summary. 5.02 Tom Edwards (s). 8.05 David Jacobs with Star Sounds (s). 10.02 Pete Murray's Saturday Show (s). 1.02 pm The Impressionists. 1.30 Sport on 2: Football Special (1.30, 2.00, 2.20, 2.55, 3.45, 3.55, 4.40, 5.00, 5.55); Test Cricket (1.30, 1.50, 2.25, 3.45, 4.45, 5.20, 5.50): England v West Indies; Racing from Redcar (1.30, 2.10, 2.45, 4.50, 5.45); Golf (1.30, 2.15, 3.45, 4.55, 5.30): Benson and Hedges Tournament; Motor Racing: German Grand Prix (preview) and Motor Cycling: British Grand Prix (preview). 9.03 Europe 80 (s). 7.02 Three In a Row. 7.30 Sports Desk. 7.33 Big Band Special (s). 8.02 Country Greats in Concert (s). 10.02 The King's Collection with The King Singers (s). 10.30 Band Parade (s). 11.02 Sports Desk. 11.10 Bob Kilbey (s) with The Late Show, including 12.00 News. 2.02-5.00 am You And The Night And The Music (s).

RADIO 3

7.55 am Weather. 8.00 Aubade (s). 9.00 News. 9.05 Stereo Release (s). 10.55 Bandstand (s). 11.25 Cricket: Fifth Test—England v West Indies, including 1.35 pm News. 1.40 A View from the Boundary. 2.00 Lunchtime Scoreboard. 6.40 The Organ Works of J. S. Bach (s). 7.30 Proms concert, part 1: Penderecki (s). 8.10 Jerome K. Jerome. 8.30 Proms concert, part 2: Tchaikovsky. 9.30 Harmony and Proportion. 10.15 Locatelli (s). 10.30 All Together Now. 11.00 News. 11.05-11.15 Strauss (s).
VHF—with Medium Wave except as follows: 6.00-8.00 am Open University. 11.25 Haydn (s). 11.45 I Know What I Like (s). 1.00 pm News. 1.05 Early Music Forum (s). 2.00 Irish Folk Songs (s). 2.35 Franz Liszt Chamber Orchestra (s). 3.25 Rudolf Serkin piano and chamber music (s). 4.20 Offenbach Operettas (s). 5.00 Jazz Record Requests (s). 5.45 The Classical Guitar (s).

RADIO 4

6.25 am Shipping forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather; programme news. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's A Bargain. 7.55 Weather; programme news. 8.00 News. 8.10 Sport on 4. 8.45 Today's Papers. 8.50 Yesterday in Parliament. 8.59 Continental Travel. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Daily Service (s). 10.45 Pick of the week (s). 11.35 From our own correspondent. 12.00 News. 12.02 pm Keeping Track (s). 12.27 The News Quiz (s). 12.55 Weather; programme news. 1.00 News. 1.10 Something to Declare. 1.55 Shipping forecast. 2.00 News. 2.05 Wildlife. 2.30 A Dance to the Music of Time by Anthony Powell. 3.25 Join Radio 3. 5.00 Poetry at Large. 5.25 Injury Time. 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.15 Desert Island Discs with writer, William Trevor. 6.55 A Word in Edgeways. 7.35 Peter Barkworth with records (s). 8.30 Saturday Night Theatre (s). 9.45 Letter from Suffolk by Kenneth Matthews. 9.58 Weather. 10.00 News. 10.15 Jesus the Liberator. 11.00 Lighten our Darkness. 11.15 Submarine. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 7.32 Good Fishing. 8.00 News, weather, traffic, sport. 9.15 Weekend What's On. 9.30 Bob Powel's London Country. 10.03 Stuart Colman's Echoes. 11.30 The Robbie Vincent Show. 2.00 pm Time Off. 3.00-6.00 am Join Radio 2.

TV RATINGS w/e August 3

UK TOP TWENTY (viewers m)

1	Coronation St. (Wed) (Gran)	12.55
2	Last of the Summer Wine (BBC)	12.20
2	Nine O'Clock News (Thur) (BBC)	12.20
4	Scruples (Thur) (BBC)	11.95
5	The Two Ronnies (BBC)	11.70
6	Starsky and Hutch (BBC)	11.40
7	Nine O'Clock News (Wed) (BBC)	11.15
8	Ransom (BBC)	11.05
8	Nine O'Clock News (Fri) (BBC)	10.95
10	Coronation St. (Mon) (Gran)	10.90
11	Telford's Change (BBC)	10.85
12	Scruples (Wed) (BBC)	10.65
13	Lady Killers (Gran)	10.25
14	Rockford Files (BBC)	9.80
15	Grundy (Thames)	9.50
16	Nine O'Clock News (Tues) (BBC)	9.35
17	Scruples (Tues) (BBC)	8.95
18	Hart To Hart (ITV)	8.80
19	Blue Water White Death (BBC)	8.75
20	It's A Championship Knockout (BBC)	8.70

Figures prepared by Audits of Great Britain for the Joint Industry Committee for Television Advertising Research (JICTAR).

U.S. TOP TEN (Nielsen ratings)

1	Jeffersons (comedy) (CBS)	21.6
2	Trapper John MD (drama) (CBS)	21.3
3	NBC Monday Movie—Airport (NBC)	21.3
4	Alice (comedy) (CBS)	19.8
5	Three's Company (comedy) (ABC)	19.5
6	MASH (drama) (CBS)	19.0
7	Taxi (comedy) (CBS)	18.7
8	Fantasy Island (drama) (ABC)	18.3
8	Dukes of Hazzard (comedy) (CBS)	18.2
10	Hart To Hart (drama) (ABC)	18.0

CHESS SOLUTIONS

Solution to Position No. 332

White would like to play 1 R-B8 ch,RxR; 2 BxN ch but then 2 . . . QxB; 3 NxQ,R-QB8 ch. So 1 P-R3! which leaves Black defenceless. The game ended 1 P-R3,RxN; 2 RxR, Resigns.

Solution to Problem No. 333

1 B-RB1, K-B5; 2 N-B4, or 1 . . . KxB; 2 N-B3, or if 1 . . . P-K5; 2 Q-Q4.

ARTS/COLLECTING

Artists out on the tiles

BY JANET MARSH

AN UNOBTRUSIVE but pleasing decorative feature helps while away the time for travellers marooned between trains on St. Paul's underground station.

Scattered among the cream earthenware tiles that cover the platform walls are random tiles beautifully moulded with stylised representations of such London buildings as the cathedral, Crystal Palace, the Houses of Parliament and 55 Broadway, headquarters of London Transport.

It is, I suppose, some sort of tribute to their attraction that all the adjacent tiles are badly chipped at the edges, evidence of scores of clumsy efforts, with nail files and penknives to prise them out.

Certainly it is a tribute to the cement they used in 1938, that in the 42 years since they were placed there, no intending thief seems to have been successful.

For years I have admired the tiles and idly speculated on their origins. Now I know, thanks to Jennifer Hawkins' new book on *The Poole Potteries* (Barrie and Jenkins, £18). They were commissioned all those years ago from the Poole Potteries by Frank Pick, the design-conscious vice-chairman of the London Passenger Transport Board: and designed by Harold Stabler, a partner and designer at the pottery from 1921 until World War Two.

Jennifer Hawkins was responsible for an exhibition of Poole Potteries' productions at the Victoria and Albert Museum in 1978. Until the exhibition (and now her book) "POOLE" was likely to be known only as a mark, occasionally encountered, on stylish period vases from the twenties or thirties, or on somewhat Sunday supplementish sixties tableware.

Miss Hawkins' conscientious record shows that the work of this South Coast firm (a rather cosy family business for most of its career) made a distinctive contribution to the look of the world around us—the tessellated pavements and florid architectural detailing of Edwardian public buildings, jazz-modern household ornaments, the decorated tiles that once enlivened branches of Liptons and Mac Fisheries as well as humbler butchers' and fishmongers' shops, and the bathrooms of the Queen Mary.

The Poole Potteries were founded by Jesse Carter, who was a successful builders' merchant at Weybridge, Surrey. He took over a derelict works, "T. W. Walker's Patent Encaustic and Mosiac Ornamental Brick and Tiles Manufactory" at East Quay Road, Poole, Dorset. By 1895 he had also acquired his nearby rival, the Architectural Pottery where, before setting up in his own ill-fated business, T. W. Walker had been chief technician.

Carter had a flourishing business supplying mosiac floors and tile murals. Quite a number of these murals—colourful representations of shipping, hunting, scenes from literature and the like—may well still exist in pubs, shops and civic buildings around the country.

Jesse Carter's son Owen, who was art director of the works until his death in 1919, was an artist, with a keen technical interest. He was first stimulated to experiment on lustre glazes, by the work of William De Morgan, to whom the Poole factory had supplied blanks for decoration.

Even more significant was Owen Carter's association, during World War One, with the art critic Roger Fry, who in 1913 had established the Omega Workshops — "a group of artists . . . working with the object of allowing free play to the delight in creation in the making of objects for common life.

"They refuse to spoil the expressive quality of their work by sandpapering it down to shop finish, in the belief that the public has at last seen through the humbug of the machine-made imitation of works of art."

At Poole, under the influence of Fry, Vanessa Bell and Duncan Grant, as well as Poole's own brilliant designer James Radley Young, produced ceramics of real distinction.

The Omega contact seemed to leave a permanent mark on Poole pottery, which managed to retain the individuality of artist design, and to avoid the chilling uniformity of the production line.

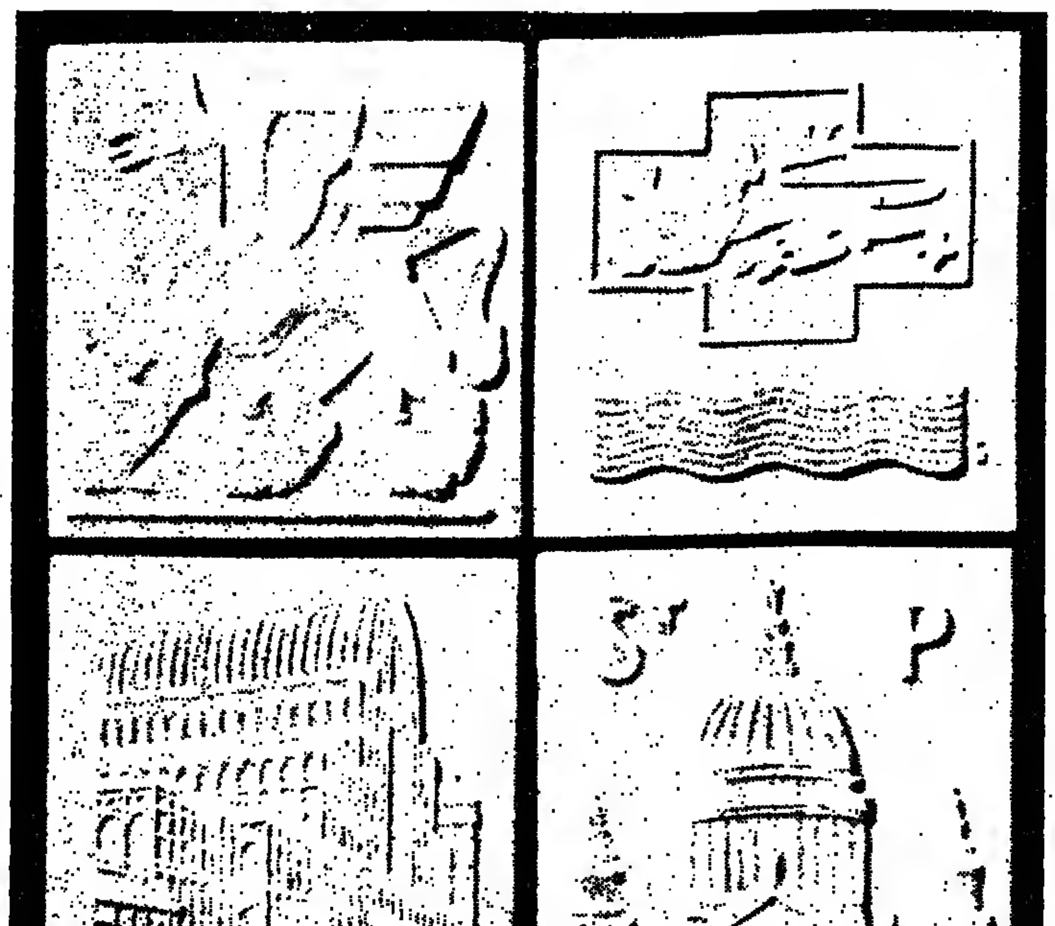
When World War One ended, Carters became Carter, Stabler and Adams. Cyril Carter succeeded to virtual control after the death of his uncle, Owen. Harold Stabler and John Adams were partners, and the principal designers in the inter-war years, along with Stabler's wife Phoebe and Adams's wife Truda (who, around 1930, divorced, married Cyril Carter and thereafter worked as Truda Carter).

Adams, too, had a gift for persuading outside artists, such as Edward Bawden and Dora Batty to design for the factory. Miss Hawkins helpfully provides a guide to the often rather obscure marks identifying Poole decorators.

The illustrations in Miss Hawkins' book show the factory's peculiar ability to catch the best elements in contemporary design. It is a testimony to Poole designs that they were so often featured in the pages of *The Studio*.

The post-war years saw the incursion of new, young artists —among them Robert Jefferson, Tony Morris and Ann Read at Carter, Stabler and Adams; Peggy Angus, Joseph Ledger and Ivor Kamish at the sister works, Carter Tiles. In 1961 Edward Bawden returned to design a mosiac mural coat of arms for the Governor-General's residence in Lagos.

The century-old link with the Carter family ended only with the retirement of Cyril Carter in 1963. The company was taken over by Pilkington Tiles, though it continued—and continues since the takeover of Pilkingtons by the Thomas Tilling Group in 1971—as an autonomous unit within the group.



London Underground tiles

The baffling montbretia

GARDENING

ARTHUR HELLYER

EVERY GARDENER thinks he knows the montbretia and almost every one of them is wrong. For the plant that commonly passes under that name is not a montbretia at all, nor for that matter, despite its appearance of stability, is it even a true species of any kind. It is, in fact, a hybrid, a man-made plant created last century by that wizard of plant breeding Victor Lemoine.

He took two South African plants which at that time he probably knew as *Crocosmia aurea* and *Montbretia pottsii*, and crossed them, thereby imagining that he had achieved that rather rare thing, a bi-generic hybrid, though later scientists disagreed since they decided that the montbretia was really a crocosmia all the time. Why Lemoine called his hybrid montbretia is not clear but the name stuck and it is going to take a lot of explaining and exhorting to make it go away.

Yet something will have to be done since confusion is growing with the introduction of yet more hybrids. Some of these are between the false montbretias and a relatively new and very handsome introduction named *Crocosmia masonorum*, and some with yet another related plant which many gardeners still call *Antholyza paniculata* though botanists long ago changed the classification to *Curtonus paniculatus*. For the old montbretia itself they chose the unhelpful name *Crocosmia crocosmiiflora* which means the crocosmia with the crocosmia-like flowers.

No one as yet appears to have suggested any names for the new hybrids and so their raiser, Alan Bloom of Bressingham Gardens fame, lists them all as crocosmias whatever their origin but adds an M to those he thinks most gardeners would regard as montbretias. Personally I think they would feel that way about the lot. Certainly visitors to my garden, seeing any of them for the first time, always say "That's a very fine montbretia."

Before considering these new "montbretias" in greater detail it is worth taking a closer look at their parents for they are an interesting lot. The original *Crocosmia crocosmiiflora* is by far the most rampant—so much so that a good many gardeners consider it a nuisance. It spreads by underground stolons which push out in all directions, forming tough little corms as they go and both stolons and corms become inextricably mixed up with everything they encounter.

They jam themselves into crevices between rocks and paving slabs and become embedded in other plants so securely that it is impossible to dislodge them. I daresay they could now be banished once and for all with the new herbicide glyphosate. Yet, bothersome though they are, I would hesitate to do so for this is an exceptionally cheerful plant, at its brightest now along with the African lilies *(agapanthus)* to which it makes an admirable contrast in colour and style. It does seem a little perverse that every time a plant decides it likes us very much we denounce it as a weed.

More than 60 years ago a Mr. Morris, who lived at Earlham, near Norwich, did a lot of montbretia breeding on his own and produced some plants with much finer flowers which collectively became known as the Earlham montbretias. I have no idea what parents he used but whatever they were his varieties completely lacked the hardiness and exuberance of the Lemoine montbretia. It was a case of trading constitution for quality and so beautiful were some of the Earlham varieties that over the years I have tried time and again to establish them, always with almost total failure. They clearly require a great deal more care and attention than I have been able to give them.

Curtonus (or antholyza) paniculatus is a very different matter. It is a very sturdy plant but not an invasive one since it does not run far and wide with long stolons but spreads slowly into a fairly solid clump. Its leaves are distinctly handsome, broad and upstanding, and its canna-red flowers are carried well above them. It is also a much taller plant than the common montbretia, at least a metre high, sometimes more, yet with all these virtues it is a little disappointing because its flowers are really too small for its leaves.

Crocosmia masonorum, when it arrived, put this part of the equation right since it combines most of the good foliage qualities of the curtonus with flower spikes of quite stunning effectiveness. Individually the flowers are large and deep glowing orange and they are closely packed into short tapering spikes which curl over so sharply that the flowers look straight up at you. The leaves are actually broader and more strongly veined than those of *Curtonus paniculatus* but the plant tends to wander a little and so they do not knit together into quite such a satisfactory clump. Nevertheless, this is a very fine border plant by any standards and one that is proving to be a good deal hardier than it looks.

And so the scene is set and the characters assembled ready for someone to do some really creative work, and that is precisely what Mr. Bloom has been doing these past 20 years or so. He has raised a lot of seedlings from various crosses between these species and hybrids and given some of them distinguishing names. Bressingham Blaze is of medium height and has brilliant orange red flowers. Emberglow is more dusky in colour and shows the influence of Curtonus *paniculatus*. Vulcan is rather similar in colour and could be of the same breeding and Spitfire links the brilliant colour of the old montbretia to the flower size of *Crocosmia masonorum*.

All these are excellent garden plants but I think Mr. Bloom would agree that his best hybrid to date is Lucifer, a really magnificent plant, tall and upstanding, with flowers of the C. *masonorum* size, but the bright crimson colour of *Curtonus paniculatus*. It has good individual leaves but they spread a little too loosely. Perhaps that is a refinement to come in a seedling that has yet to make its bow.

CHESS

LEONARD BARDEN

Last month world champion Anatoly Karpov added yet another impressive victory to his growing collection of tournament firsts when he defeated an elite grandmaster field in the Crown group of the IBM tournament in Amsterdam. Two of his rivals, Bent Larsen of Denmark and Jan Timman of Holland, declared their intentions beforehand of stopping Karpov's run of success (now 17 first prizes in 19 individual tournament starts). The young Dutch grandmaster finished an honourable second and pressed Karpov all the way, but Larsen's results have become increasingly volatile and for him Amsterdam proved a disaster.

Scores were Karpov (USSR) 10 out of 14, Timman (Holland) 9, Sosonko (Holland) 8, Hort (Czech) 7½, Dolmatiy (USSR) and Ribli (Hungary), van der Wiel (Holland) 4, Larsen (Denmark) 3½. There were no British players in this or the other two events: even though Tony Miles won the IBM twice running a few years ago, the organisers have rarely sent invitations here.

Karpov lost to Ribli in an early round, but once he sensed danger from Timman the world champion spurted out of reach. As if to belie recent criticism of his style, he played some fine attacking chess while Larsen, who had claimed that it was unreasonable for Karpov to win all the tournaments, was dismissed with two stinging defeats.

White: Karpov. Black: Larsen. Opening: Caro-Kann (IBM 1980)

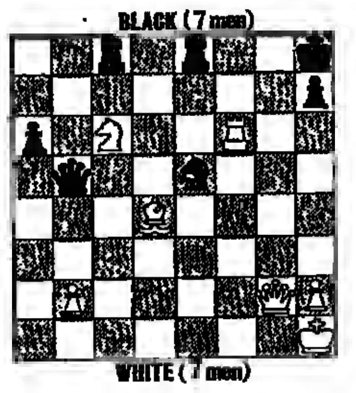
1 P-K4, P-QB3; 2 P-Q4, P-Q4; 3 N-Q2 (now generally preferred to the classical 3 N-QB3 on the grounds that it gives White more flexibility if Black closes the game by 3...P-KN3), PxP; 4 NxP, B-B4; 5 N-N3, B-N3; 6 P-KR4, P-KR3; 7 N-B3, N-Q2; 8 P-R5, B-R2; 9 B-Q3, BxB; 10 QxB, P-K3 (Q-B2 is precise if Black wants to restrict the white QB); 11 B-B4, KN-B3; 12 0-0-0, B-K2; 13 P-B4, P-QR4 (Larsen specialises in advancing the RP with either colour and on either side of the board, but here the pawn becomes a target for Karpov's heavy pieces); 14 K-N1, P-R5; 15 N-K5, NxN; 16 BxN, Q-R4; 17 N-K4, 0-0-0; 18 P-B5!? (conceding the Q4 square to Black, but artificially isolating the weak P), NxN; 19 QxN, B-B3; 20 BxB, PxB; 21 Q-B4, P-B4; 22 R-Q3, R-Q4; 23 KR-Q1, Q-B2; 24 Q-Q2, P-B5; 25 R-QR3, R-N1; 26 P-B3, R(4)-N4; 27 R-N1, RxRP; 28 RxP, Q-N1; 29 R-K1, R-R7; 30 R-K2, R-R8 ch; 31 K-B2, P-R4; 32 Q-Q3, K-Q2; 33 R-N4, R-KN8? (Black, under pressure, seems to be fighting back on the K-side, but now comes a surprise finished based on long-distance attack): 34 P-Q5! BPxP; 35 P-B6 ch,KxP; 36 Q-N5 ch, Resigns. The next check wins the KN8 rook — another case of a queen move diagonally backwards being hard to foresee.

White: Larsen. Black: Karpov. Opening: Queen's Indian (IBM 1980)

1 N-KB3, N-KB3; 2 P-KN3, P-QN3; 3 B-N2, B-N2; 4 0-0, P-K3; 5 P-B4, B-K2; 6 N-B3, 0-0; 7 P-Q4, N-K5; 8 Q-B2, NxN; 9 QxN, P-QB4 (this was the final round, and the opening is a noted drawish variation; but Karpov needed the full point for outright first prize); 10 R-Q1, P-Q3; 11 (B-K3 (the first inaccuracy. 11 P-N8 followed by B-N2 and Q-Q2 keeps a solid position), N-Q2; 12 QR-B1, R-B1; 13 P-Q5, PxP; 14 PxP, R-K1; 15 P-QN4 (opening up lines of attack, but it is Black's pieces which benefit), B-KB3 (P-B5? 16 N-Q4-B6 justifies White's play); 16 Q-N3, PxP; 17 RxR, QxR; 17 QxP, Q-B7! 19 R-QB1, QxKP; 20 QxQP, N-B1 (suddenly White's game is difficult. The double threat is RxB winning a piece and R-Q1 winning the QP. Larsen avoids both traps, but falls into a worse one); 21 N-Q4? BxN; 22 BxB, Q-Q7! 23 Q-B4, R-K8 ch; 24 Resigns. If 24 RxR, QxR ch; 25 B-B1, B-R3 wins.

POSITION No. 332

BLACK (7 men)

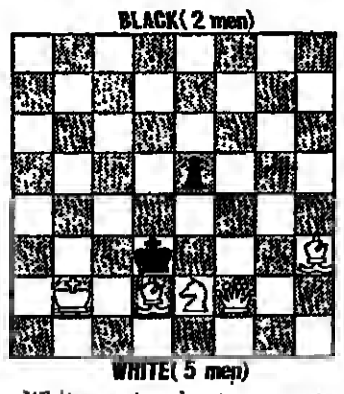


WHITE (7 men)

Marjanovic v. Kurajica, Yugoslavia 1979. White (to move) has given up rook for bishop to reach this position where the black king is badly exposed but where Black has some hidden counter-tactics. What should White play, and how should the game go

PROBLEM No. 332

BLACK (2 men)



WHITE (5 men)

White mates in two moves, against any defence (by H. Curth, Deutsche Schackzeitung 1976).

Solution Page 10

BRIDGE

E. P. C. COTTER

Slam bidding even at the highest level leaves a great deal to be desired. Records of international matches show hands bid to a small or grand slam with no possible chance of making 12 or 13 tricks; on the other side of the picture, and this is perhaps even more humiliating, hands are played in a game contract with 12 tricks on ice. In some cases the wrong opening bid is chosen, in others the responder makes the wrong reply, sometimes it is correct to make a jump take-out, sometimes it is better to make a minimum response. If you forced me into a corner, I would probably say that it is the first rebid of opener or responder that is the most frequent cause of indifferent slam bidding.

Two deals of some years ago illustrate what I mean. As in these particular hands the blame seems to attach to my partners, let me hasten to add that there have been many occasions when I was at fault. Here is the first:

N
♠ K 7
♡ A 5
♢ A K 7 4
♣ A K Q 9 3

W
♠ 4 2
♡ Q 10 7
♢ J 9 5 3
♣ J 8 7 4

E
♠ 9 6 3
♡ 8 6 4 2
♢ Q 8
♣ 10 6 5 2

S
♠ A Q J 10 8 5
♡ K J 9 3
♢ 10 6 2
♣ —

With North-South vulnerable my partner, the dealer in the North seat, opened the bidding with a conventional two clubs, I replied with two spades, and North rebid three clubs. So far all is beyond reproach. Now I rebid four spades—this is most important. A jump bid in an already forcing situation normally shows a solid suit, but when made by a responder after an opening two club bid, it denotes an almost solid suit with one top honour missing.

At this point North can count 13 tricks, and should bid seven spades, but he made the lazy bid of six spades, and I passed, though not without reluctance. If he did not want to jump to seven, he should bid five hearts, and my reply of six hearts would have made it easy for him to bid seven no trumps. North, who was a very good player, admitted that his bid of six spades was spineless.

In the second hand my partner, sitting North, was an international:

N
♠ 7
♡ A 8
♢ K J 10 9 7 5 3
♣ K J 5

W
♠ K Q J 2
♡ 10 9 5 4 2
♢ Q 6
♣ 6 4

E
♠ 9 5 4 3
♡ Q J 7 3
♢ 8 2
♣ Q 9 2

S
♠ A 10 8 6
♡ K 6
♢ A 4
♣ A 10 8 7 3

I dealt in the South seat with neither side vulnerable, and opened the bidding with one club, North said one diamond, and I rebid one spade. My partner now said three diamonds, I said three no trumps, which became the final contract, and with some good guessing made 13 tricks.

What was wrong? I know that North has only 12 high card points, but he has a good seven-card suit, he has an excellent fit with my declared suit, first round control in hearts, and second round control in spades, and these considerations in my opinion make the hand worth a forcing take-out of two diamonds. The delayed force of three diamonds does not convey the same idea of strength—North would rebid three diamonds on six diamonds headed by the King, Queen, Knave and the Ace of hearts—and does not inspire a diamond raise on Ace and another.

If North bids two diamonds, the bidding proceeds smoothly —two spades from me, three clubs from partner, then three diamonds, three hearts, four hearts, and six diamonds. Admittedly, the slam is not cold, but it is a slam in which any good player would be happy to play.

Champion Watson fights for survival

GOLF

BEN WRIGHT

TOM WATSON was fighting for his life in the second round of the 62nd USPGA championship in Rochester, New York, at Oak Hill County Club yesterday. With the cut projected as coming along later at 148 or 8 over par, the British Open Champion left himself no room at all in which to manoeuvre. With six holes to play he was 7 over par having gone out early in the morning after a first round of 5 over par 75.

But indications were that with a freshening breeze conditions were getting more and more difficult, which may be the saviour of the most formidable golfer in the world today. Once again, thunderstorms were forecast for early evening so as yet everything was in the melting pot — an apt expression — since the humidity was horrendous.

For instance on the Leader board only one golfer, the immensely powerful Lon Hinkle, had improved his position from the day before, in that he was one under par with theree holes to play having scored level par 70 on Thursday.

The overnight leader Craig Stadler the U.S. Amateur champion of 1973 who had a round of 67 on Thursday, returned to level par with an outward half of 38, and at that figure for the championship disappeared into the ruck.

After the first day there were five any but household names at two under par 68 in second place, the quintet comprising former U.S. amateur champion Bob Murphy, Dr. Gil Morgan, another outstanding amateur Curtis Strange, who like Stadler has made a very satisfactory transition to the professional ranks, Bobby Walzel, and Howard Twitty, a massive Arizonan who has been in commanding form of late here.

Ben Crenshaw was alongside David Graham and Hale Irwin at one under par 69 and this trio had yet to start their second round at the time of writing.

The ominous names of Jack Nicklaus and Johnny Miller are among ten players who started late yesterday at level par 70, while Lee Trevino and Arnold Palmer obviously have all their work cut out after rounds of 74, as had the lone Briton, Peter Oosterhuis, who was on the leader board for a while on Thursday after an auspicious start, but who fell away with an inward half of 40 for a total of 75.

Just as had been the case on the first day of the U.S. Open nearly two months ago the conditions were well nigh perfect for scoring. The torrential storms of Tuesday sufficiently softened up the course, particularly the green, and there was hardly a breath of wind to disturb the monstrous heat and humidity that so many American golfers relish, and which the British find so ennervating.

So, despite the controversial alterations to the course, to which I referred in last week's column there were 19 players who scored par of 70 or better.

At the end of Friday play when the qualifying axe was due to fall, with only 70 players and those who tie for 70th place playing the last 36 holes, the situation may have proved different. The heat was even more oppressive in the morning but now a breeze has got up and is swirling among and around the marvellous stately trees that help to give this club its name.

But, to return to Thursday's proceedings, Stadler, who took a one-stroke lead with a round of 67 was one of the late starters. So he was momentarily halted by the violent thunderstorm that swept through the course early in the evening, but this did not deter him. Stadler, who is well known to British audiences from amateur days when he was a Walker Cup player notably when the Americans destroyed us at St. Andrews in 1975, has at last come into his own as a professional this year with two victories. He impressed at Muirfield in the Open Championship by finishing tied for 6th place.

Thursday's round was a triumph of application, in that after a birdie, at the second hole from 20 ft he saved a par at four of the next six holes to get to the turn in 34 shots, one under par.

Stadler rode this good fortune to pick up three birdies with putts of 15 feet, eight and six respectively at the 10th, 12th and 14 holes to get four under par, and the only blemish on his card appeared at the 440 yards 16th. Here it was that, after hooking his drive, he flew the ball over the green with his nine iron. And this course is merciless on anyone who gets past the pin in that from that position it is downhill all the way. Stadler chipped to 20 feet to drop his only stroke to par.

I was particularly impressed in going out with the defending champion David Graham of Australia, who was playing alongside the bespectacled American Hale Irwin who has come back to his best after a rest that included missing our Open, and the similarly fiercely competitive South African Gary Player. If there are three more determined competitors in the world as a trio I have yet to see them, and this was obviously reflected in the scoring that gave Graham and Irwin rounds of 69 and the struggling Player who has enjoyed little success here this year, a 72.

Graham impresses more and more everytime I see him. His deliberate pace of play and his composure is totally unflappable. It is a measure of his class that on each occasion yesterday that he dropped a stroke to par—and it was only twice—at the 11th and 13th holes he immediately hit back each time with a birdie at the 12th and 14th, the two simplest easiest par 4s on the golf course at 374 and 325 yards respectively. The defending champion will not easily be deprived of his title.

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000
Saturday August 9 1980

Theory and practice

UNTIL ONLY a week ago, the whole debate about economic policy in this country was concentrated on theory—the Government's theory of monetary stringency as the centrepiece versus various rival theories calling for a mixture of expansion and trade and income controls. Now, however, the focus has shifted, because a noticeable gap has appeared between the Government's theory and its own practice. Conservative monetarism is harder to define and apparently harder to enforce than the debating speeches ever suggested.

The biggest shock, of course, came with the banking figures. Until Tuesday, both sides in the debate assumed that the Government was in fact achieving monetary stringency; now nobody knows. The removal of the banking corset has revealed the fact that at some time during the two years when it was in force, monetary growth exceeded the reported figures by no less than 5 per cent, and probably more.

It remains to be seen how much of this hidden growth occurred before the present targets were set in February; meanwhile, policy is frozen in the absence of reliable facts. The authorities dare not relax further for fear that the figures have something nasty to say about recent developments, but they seem equally determined not to tighten the squeeze on an already depressed economy. They have moved energetically to prevent any rise in interest rates, supplying liquidity to the banks, supporting the gilts market when it was weakest, and refraining from new issues.

Deflationary

The interesting question raised by these strange figures is what has produced the very evident results in the real economy, if the credit squeeze was a statistical illusion? A possible answer is that a high exchange rate, secured by the combined effects of high interest rates and North Sea oil, is powerful deflationary medicine in itself, regardless of what is happening to the credit statistics. For the time being, the Government is maintaining its increasingly unyielding stance against those who complain that the rise in the exchange rate has been overdone. When much else is unclear the exchange rate is a fact, and it is working.

Meanwhile, the administrative agenda has become more complicated. The Government's basic strategy is to reduce the burden of the public sector on the economy so that the private sector is free to face other challenges; here again practice is not in line with theory.

The difficulties are illustrated both in a series of critical reports from Parliamentary Select Committees, and in the latest figures for local government finance. The committees have questioned policy and administrative efficiency, notably in the very expensive Department of Health and Social Security. The Cabinet has been engaged in a long struggle to contain the growth of defence spending: despite cuts, the cash limit has had to be raised by some £200m. In these circumstances, it is not likely that we have heard the last of the debate over the decision to equip our nuclear forces with the Trident missile; Government aspirations do not always sit happily with financial stringency. Another ironic illustration of this fact has come with the news that Conservative local authorities are finding it harder to meet Government demands for economy than Labour councils—largely because the Tories had leaner budgets in the first place.

Agonising

For the most part, these untidy developments should occasion little surprise; it is normal for an active, reforming Government at the end of its first year to discover that some facts can be very obstinate. What may prove a more difficult problem is illustrated in a series of pragmatic decisions and postponements about industry. Inmos, the microcircuit venture of the National Enterprise Board, is to get its money, after much agonising; but the Inland Revenue, which had agonised just as long over the choice of a computer, has been told to go away and agonise some more—the order seemed unlikely to go to the British contender. A trickle of aid has been announced for Dunlop.

All these decisions show that a recession can make it very difficult to make the decisions which Government ideology would suggest. So, in a different way, does the decision to defer any attempt to bring private capital back into shipbuilding; the recession has made the move inopportune.

None of these developments mean that the Government's central strategy has changed; they do suggest that the next phase will be less dramatic, but more demanding of Ministers than the first rush to enact the Manifesto. It is clear that much technical and administrative work remains to be done to achieve effective control of credit and of public spending. There are awkward questions still pending over industrial policy, and the pricing and financing of publicly owned industries. The policies have been set, but it remains to make some of them work. The market, which has greeted these developments with what amounts in the end to a resigned shrug, will have to be patient.

Whitehall's monetary policy: more a mess than a crisis

BY PETER RIDDELL, Economics Correspondent

THE GOVERMENT'S monetary policy is in a mess. The 5 per cent jump in the money supply last month has forced policymakers and the markets to reassess what is happening to the central yardstick of economic policy. Recent confident claims about monetary control have apparently been contradicted. In the process, hopes of a further early reduction in interest rates have been disappointed.

So far it is a mess rather than a crisis requiring immediate action. The problem is mainly the result of past excesses rather than present errors. The economic position is wholly different from, say, last November when Minimum Lending Rate was raised from 14 to 17 per cent. Then, excessive monetary expansion was reinforced by a rising inflation rate and a high level of economic activity. Now, the inflation rate is falling and there is all to clearly a recession.

The markets are also generally willing to give the Government the benefit of the doubt about its future intentions. Prices of gilt-edged stocks fell sharply at first but in the last couple of days there has been a partial recovery and sterling has remained as strong as ever.

The episode has produced red faces and raw nerves at the Treasury and the Bank of England, however much Ministers have tried to explain away last month's increase as an aberration. The Government is fortunate that Parliament was preoccupied with its own wrangling this week and that the session has now ended, so the Treasury Select Committee is not able to hold an inquiry. There are, however, important questions to be asked about the past conduct of monetary policy, about the current position, and about prospects.

The danger is that the wrong conclusions will be drawn. There is no shortage of critics around all too eager to use the episode to denounce monetarism, monetary targets and current techniques of monetary control.

But monetary policy, like food and war, is too important to be left to either the theoreticians or the technicians. It is all too easy for those outside the charmed (or rather bemused) circle of monetary specialists to retreat in face of talk of sterling M3, reintermediation and so on. Yet it is possible and also necessary to penetrate the jargon. The issue is of direct concern to everyone who receives or pays interest.

The central tenet of monetarism is simple. In the Treasury's own words, it is that "there is a clear relationship between the growth of the money stock and the rate of inflation in the medium-term." This claim is fiercely contested by many economists.

The Government does not set a specific target for price stability since it believes this is not within its direct control. Instead, a target is set for the growth of the money supply which it claims is "more directly under its influence." Success

There are red faces and raw nerves at the Treasury and the Bank

in reducing the inflation rate is dependent on how quickly wage bargainers and others adjust to these targets. If they do not adjust there will be transitional costs in terms of lost output and jobs. A monetary squeeze works through directly via the impact of high interest rates on the exchange rate and hence on the sterling cost of imports.

There are several possible measures of the money supply. None is ideal merely because of the number of different types of money ranging from notes and coin to less immediately realisable or liquid forms such as investments in building societies and in local authorities. Several of the measures are monitored by the Treasury and the Bank but attention is focused on one, partly for reasons of simplicity.

The published target is set in terms of sterling M3. This consists of notes and coin and sterling "sight" (current account) and "time" (seven-day notice) deposits with banks. At present there is a 7 to 11 per cent range for the annual rate of growth of sterling M3 during the 14 months from February 1980 to next April.

The Treasury has always believed that the main advantage of a sterling M3 target is that it links with the other indicators and instruments of economic policy. This is because the cash and bank deposits are the counterparts on the other side of the balance sheet of bank lending to the private sector, of public sector borrowing less sales of government debt (mainly gilts) and of flows of currency in and out of the UK. Thus if public sector borrowing rises because of a surge in government spending and is not matched by sufficient sales of gilts to mop up liquidity there will be alarm signals in the form of faster growth of sterling M3.

The problem has been how to achieve control. The accompanying graph shows that the actual rate of growth has tended to exceed the upper limits of the target range, especially in the last two years. This does not mean that monetarism does not work—though it is difficult to achieve success. Indeed, "monetarist" economists would argue that the excessive growth of sterling M3 was a major contribution to the accelerating rate of inflation from mid-1978 onwards.

The main instruments of control are fiscal policy (the level of public sector borrowing) and interest rates. The Government believes that over the long-term a high level of public sector borrowing will mean high and probably rising interest rates for any given monetary target. This is because of the need to set interest rates at levels attractive enough to sell sufficient gilts to match the high borrowing.

The main difficulty arises in the private sector. The relationship between variations in interest rates and the demand for credit is complex and often slow. The most direct effects are on the level of householders' hire purchase agreements and on housebuilding. But much borrowing is involuntary. At present a large part of the rise in bank lending can probably be explained by the squeeze on industry's profits and liquidity which is forcing up overdrafts. Similarly the debiting of quarterly or half-yearly interest payments explains part of the rise in lending.

Some critics have argued that the apparent loose connection between changes in interest rates and in the level of bank borrowing has been because Governments have been half-hearted in their monetarism. They have been reluctant to raise interest rates high enough—to where they are above the actual and expected level of inflation—in other words where they are positive in real terms. The present Prime Minister is not, however, the first to be sensitive about what this might mean for the mortgage rate.

Whatever the reasons, Governments of both parties have resorted to direct controls to achieve short-term restraint and avoid even higher interest rates. The main device has been the corset or supplementary special deposit scheme. This set a limit on the rate of growth of interest bearing eligible liabilities (a large part of bank deposits and of sterling M3) and imposed stiff penalties if these limits were exceeded.

The corset was what its name implied, a squeeze on the banks' operations to force them to rearrange their balance sheets and to curb their lending. It was first introduced in 1973 to prevent other distortions in the banking system. But increasingly, and especially after its reintroduction in June, 1978, the corset itself became a source of distortion with a much smaller impact on the level of bank lending.

The banks became increasingly adept at shifting their operations into uncontrolled channels outside the corset and outside sterling M3. This was known inelegantly but precisely as "disintermediation." The most well-known form was the growth in holdings of bank-accepted commercial bills outside the banking system. These bills amounted to a bank arranged transfer of credit from companies with cash to those needing it. To a large industrial borrower these bills were very similar to conventional bank loans.

The monthly figures were understating what was happening

Similarly, the corset led to a reduction in bank holdings of short-term public sector debt which was taken up by the public and by financial institutions. This reduced sterling M3 but with no real effect on the underlying liquidity, or amount of money, in the system. The abolition of exchange controls last October opened a further loophole in the form of borrowing in sterling overseas, known as Eurosterling.

These transactions distorted normal credit flows, reduced the effectiveness of the corset and devalued the usefulness of the regular monetary statistics. The monthly figures were increasingly understating what was actually happening to the underlying rate of monetary growth. This led to increasing disenchantment with the corset and the Government finally announced in the March Budget that the controls would end in mid-June.

The problem has been to know what would happen when the controls came off. It was always conceded that there would be switching back—or "reintermediation"—of operations to conventional channels and sterling M3. Officials generally estimated this might boost the published figures by 2-3 per cent spread over a few months. The Government must have been reasonably confident that nothing too much was wrong when it cut MLR from 17 to 16 per cent on July 3 even though the rate of monetary growth was still above the upper end of the target range.

The first warning that something was amiss came nearly three weeks ago from Mr. Gordon Richardson, the Governor of the Bank. He told the Treasury Committee that the impact of the end of the corset could be swifter and more substantial than had been expected. Nevertheless, a week later Sir Geoffrey Howe, the Chancellor, felt able to claim that the money supply was probably under control.

Then came the shock of the 5 per cent jump in sterling M3 last month. A large part of the increase can probably be attributed to the unwinding of the corset distortions, and there is undoubtedly more to come. This will artificially inflate the money supply figures for August and September, just as earlier figures were understated.

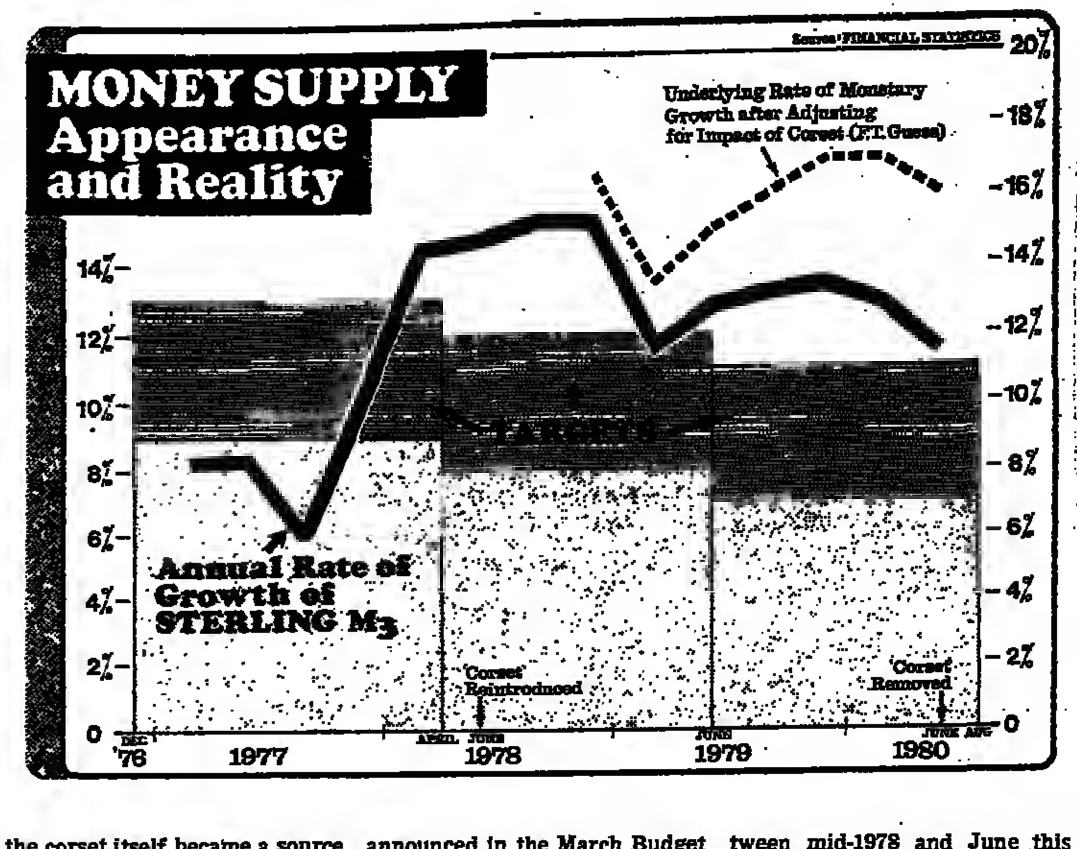
The jump has several worrying implications. The first is that the Treasury and the Bank have to some extent been flying blind over the past two years. The avoidance by the banks was clearly much more than previously thought, and the consequent unwinding may turn out to be twice as large as expected. This means that the underlying rate of monetary growth between mid-1978 and June this year was higher than estimated at the time, which explains some of the buoyancy of prices and of economic activity. And given the time lags assumed by the monetarists the excesses of the past may not yet have fully worked though, despite the dampening effect of the strong pound and the world recession.

Secondly, the unwinding of the corset distortions makes it very difficult, if not impossible, to know what is happening now. The Bank has so far been understandably reluctant to estimate the underlying trend. Until such an estimate is made it will not be possible to tell whether credit conditions are appropriate for a further cut in MLR. Rough-and-ready estimates and reports from banks suggest that the demand for credit has not yet slackened while public

Have they been flying blind over the last two years?

sector borrowing has been higher than expected since the start of the financial year in April.

All kinds of lessons can be drawn from this episode. The wrong ones are that the corset or some similar quantitative control should have been kept or, alternatively, that monetary targets should be abandoned. The right conclusion is that controls only lead to distortion which undermine their usefulness. What really matters is getting a balance between public spending, borrowing and interest rates. Sooner or later the reality as opposed to the appearance of monetary performance has to be faced.



MONETARY GLOSSARY

STERLING M3: The broadly defined money supply consisting of notes and coin and bank current and deposit accounts.

M1: The narrowly defined money supply consisting of notes and coin and bank current accounts.

DOMESTIC CREDIT EXPANSION (DCE): Public sector borrowing less sales of Government debt (mainly gilts) and sterling lending to the private sector.

CORSET: Supplementary special deposits scheme limiting the growth of interest bearing eligible liabilities, a large part of banks' deposits.

DISINTERMEDIATION: Switching of banks' operations outside measured money supply (sterling M3) to escape corset controls.

Letters to the Editor

Razzamatazz

From Councillor W. Shepherd

Sir,—Please forgive me if I laugh my head off: Tuesday's frolics in the House of Commons, and the chaos that was caused by the antics of the Opposition, were an exact re-play of the scenes in the House on July 28, 1977, when (*inter alia*) the Royal Assent was lost to the Employment Protection (Consolidation) Bill. This statutory measure was postponed for a year by the Conservatives' delaying tactics. Now the biter is well and truly bit.

If this kind of Parliamentary razzamatazz was not so serious it would be entirely laughable, but what passes all comprehension is why a political party—mine, incidentally—with such an inbuilt majority allows itself to be caught out by ploys which are not only painfully obvious, but which are clearly foreseeable.

W. F. Shepherd.
4, Asher Reeds, Langton Green, Tunbridge Wells.

Dorset

From the Chairman, Dorchester Town Council Planning Committee

Sir,—With reference to the article (August 2) on "Hardy's county," I do not know quite what happened to your correspondent Julian Critchley—perhaps he got hexed.

The statue of Thomas Hardy in Dorchester faces West, looking at a petrol station (which unfortunately was there before the Planning Acts came into force) and then the stone Keep of the old Dorset Regiment barracks (now used as a very good military museum) and behind the Keep, the modern Crown buildings. The present jail, and the site of its predecessor, are both behind him to the East.

Even if there were no buildings from the site of the statue none of the Vales of Wessex could be visible. There is no Plummers Hall restaurant in the local telephone directory: but there is a Plumbers Manor. Mr. Critchley's article, as usual, harps too much upon Thomas Hardy's writings; like most local inhabitants I find him almost unreadable. Many people consider William Barnes' poems far better. If Hardy had not been turned into a literary industry mainly by North American academics and later the Japanese, his books would have been quietly forgotten, except for TV dramatisations which strip away the verbiage that obscures the plot.

Dorset has always attracted writers. Not only in the past century but in the 20th. The Powys family, for example. John Cowper Powys based "Weymouth Sands," "Maiden Castle" and "Wolf Solent" in Dorset. William Peacock was born in Weymouth. Jane Austen worked in Lyme Regis, and John Fowles does so now. Geoffrey Household and Emily Hahn worked in Dorset. Gladys Mitchell does so now. Sylvia Townsend Warner spent her last years in Dorset. Dorset is a very beautiful and secret county, and a literary county, and we should not exclude other writers and their associations by concentration on Thomas Hardy.

(Councillor) R. L. Parsons.
5, Edward Road, Dorchester, Dorset.

Councils

From Mr. T. Burgess

Sir,—One of the things that makes it easy for a centralised bureaucracy to extend its grip is by gaining the support of sectional interests to each particular piece of centralisation. The letter from the deputy director (economics) of the Confederation of British Industry (July 24) is a case in point. He says that while central government can decide how far to give grants to local authorities, and thus influence the total of local authority expenditure, it has not hitherto been able to decide either the spending need or the level of rate poundages of individual local authorities. He adds that so long as authorities have an independent source of finance they can decide their own levels of expenditure. But in a democracy this is just as it should be. Local accountability and responsibility are essential parts of a free and plural society.

Mr. Webb supports the Government in its proposals to turn local authorities into outposts of a centralised administration and transfer local decisions to Marsham Street.

The benefits he lists are illusory. A central decision cannot be a rational "benchmark" for spending need: it is certainly worse than the local weighing of the demand for services against the readiness to pay. The new block grant is more dependent on previous expenditure than the system it replaces, though the Secretary of State is taking powers to "punish" (his word) those few local authorities encouraged by his scheme into high spending. The equalisation of rateable resources is a chimera.

The assumption behind Mr. Webb's letter is that detailed decisions about taxation and spending ought to be taken by officials in London. No doubt he believes that officials of the CBI, also in London, can influence such centralised decisions, in the best traditions of the corporate state. What he does not seem to realise is that the accumulation of these centralising tendencies will make central government ever more pervasively powerful, bureaucratically controlled, unaccountable to Parliament or anyone else, immobile and inefficient. This will be no good in the end for businessmen, trade unionists or citizens of any kind.

Tyrrell Burgess.
34, Sandilands, Croydon.

Pay

From Mr. H. Thomas

Sir,—On August 2, Philip Bassett of your Labour Staff, reported on the proposed changes in de[illegible] the civil service. In a separate report he pronounced that "the Government will next week confirm a refusal to offer senior civil service scientists a pay increase." Furthermore he elaborated on the views of the civil service department and made little or no comment on the case being presented by the Institution of Professional Civil Servants.

He should be well aware that the chairman of the arbitration has been appointed by the Government and that the findings of the arbitration, which is being held from August 5, should be sub judice until the evidence, submitted by both CSD and IPCS, has been considered and the decision as in any "legal case" pronounced.

Up until 1971 there was no difference between pay scales for principal posts in the various Treasury classes. Since then the pay research unit (PRU) system has created a division between administrators and scientists. Each year there has been agreement on the pay for administrators while the pay scales for scientists are, as at present, imposed and paid to scientists some six months later than the administrative staff.

The recommendation made by Fulton in 1968 for a unified grading system in the civil service has, with minor exceptions, being ignored by the civil service department. Irrespective of the findings of the present arbitration it is time to end the present PRU arrangements by introducing a unified pay and grading system for the whole of the civil service and to end the present apartheid system which perpetuates class differentials introduced in Victorian times.

H. A. Thomas (Past chairman, Ministry of Agriculture Branch, IPCS).
The White House, Grimston, Melton Mowbray, Leics.

Wine

From the Treasurer, The International Exhibition Co-operative Wine Society

Sir,—I would like to clarify [illegible]ng the Wine Society, arising from your excellent article on buying wine by mail order (August 2).

The £10 that you refer to as a "lifetime subscription" is in fact the purchase price of a share. The Wine Society is a co-operative and each member owns one share. Each year the society can, and normally does, credit from its surpluses two types of dividend: one on capital and one on members' purchases.

In contrast to the other organisations referred to, all surpluses belong to the members and are ploughed back into the society. Thus the share of a member who joined in 1958—which cost £5—is now worth over £20 and shares inherited from founder members of the society—which cost £1 in 1874—are now worth over £350.

You will, I think, agree that the £10 buys more than a "lifetime subscription" in this unique organisation whose full name, the International Exhibition Co-operative Wine Society, hints at its intriguing history.

A. R. Bowden.
53, Bolsover Street, W1.

Buses

From the Leader, Greater London Council

Sir,—There are two interesting points in Mr. Smith's letter (August 2) about London Transport's 'bus service, quite apart from the honour of having elicited a response at all from 55, Broadway.

The first is that he wants it both ways. If, as he says, traffic congestion is allowed for in the 'bus timetable then there is no excuse for the buses not running to time. If, on the other hand, congestion is not allowed for, then the potential improvement in the service consequent upon banning all other traffic is limited to LT's published figure of losses due to congestion, i.e., 1 per cent.

This brings me to point two. If the potential benefits of banning traffic are as he says, then there must be intermediate benefits for less drastic action. Why have we not heard of these from LT in the past?

In fact, of course, it is not possible to ban traffic totally; and if the effect of a total ban was to save LT only £30m a year (while adding, perhaps, a hundred times that figure to other people's travel and distribution costs) this puts into perspective, as was my original intention, the futility of a large-scale traffic restraint and its relevance to LT's operational problems.

His letter may create a precedent; perhaps we may now see an explanation of recent revelations about dubious practice at LT's engineering and maintenance workshops.

(Sir) Horace Cutler.
County Hall, SE1.

Gasholders

From the Director of Engineering, Southern Gas.

Sir,—Mr. Hindson (July 26) will be pleased to know that the Bridport gasholders about which he complains, should be dismantled within the next year.

In the Southern Gas region we have for some years had a running programme for demolishing our smaller and uneconomic gasholders, but holder demolition is not always straightforward.

In the case of Bridport, we have had to alter our mains to isolate them from the holders, and also find a means of purifying the 1m gallons of water which formed part of the sealing mechanism and which is contaminated from years of contact with gas. Once we have satisfied the local water authority that we have made this water suitable for discharge into their system, work on demolition can begin.

We appreciate that gasholders are regarded by some as unlovely, but they have played, and will continue to play, an important part in meeting the gas industry's storage requirements.

J. D. Cormack.
PO Box 102, Southampton.

Arthur Sandles reports on the overseas satellite threat to national broadcasting

TV faces the tread of 'footprints'

THE BROADCASTING section of Britain's Home Office, housed in a nondescript office block on the south side of the Thames, is currently struggling with the implications of a tidal wave of innovation in television technology. Not, for once, the little boxes of tricks which are causing so much trouble in the studios, but complex gadgetry which has the potential for bringing dozens of additional television channels into the living room.

Concern in the UK about current trends is shared by other Governments and by the world's established broadcasters. Systems which only a few years ago were considered science fiction are now in use. Central policing of broadcast services is about to become a much more difficult task. The implications for present television companies and for newspapers and magazines which could, potentially, see an explosion of rival advertising media are considerable.

All this is happening at a time when the new Independent Television contracts are being negotiated and the BBC Charter is undergoing its periodic re-write.

The significance of new technology in broadcasting, and in particular the imminence of direct satellite transmissions to domestic viewers is already causing concern. Lord Hill, a former chairman of the BBC and of the Independent Television (now Broadcasting) Authority (IBA), said in the House of Lords a few days ago that ITV's new channel could be "the last steam engine" of British broadcasting. The whole television world could change before long.

"In the next two years the satellites will be up," he said, "allowing the transmission of programmes from the U.S., France, Germany, Scandinavia. I know that the reception will require adjustment of domestic sets. But the result of this might be profound, there might be profound results on the advertising income of independent television for a start. Think what America might seek to do by the broadcasting of its programmes and its advertising material here."

Lord Hill's view that satellites will be beaming down signals to British audiences within two years may prove to be a little optimistic. The Swiss Tel-Sat scheme, a project in which Swiss publishing houses, Thorn-EMI and British Aerospace have all been involved, could be the first commercial station in the sky, and even that is unlikely before 1984. Even then the satellites face the

Competition from Radio-Tele-Luxembourg is the main worry

traditional problems of innovators—not least who pays the bills while a market is built up—and face them on a massive scale.

It could be that it is the Government - backed projects which are first in the field. The Franco-German TV-Sat scheme is due for launching in three years' time, with the French rocket Ariane as the carrier. The Germans will be putting out two national television channels and a number of stereo radio services. French services will start a few months after the German ones and they, too, will put out two television channels—TF1 and Antenne 2.

A large question mark hangs over what the French will do with their third channel, the one the Germans will be using for radio. There is talk they may lease it to Tele-Monte Carlo and thus raise the prospect of a considerable new French - speaking advertising medium.

Both the Government and French projects are on a two-year experimental basis.

Under agreements reached in 1977 the nations of Europe and North America each have five frequencies available to them. Each is able to broadcast to its own residents but, such is the nature of satellite transmissions, the broadcasts usually cover a much wider area than national boundaries would allow. This "footprint" as it is known means that Britain's satellite beams will be available to viewers in Ireland and much of north-west Europe. Similarly those from Luxembourg would, quite legally, spread into Britain's populous south-east area.

The U.S. footprint could easily spill throughout the Caribbean and into much of the central Americas. This has brought no joy to the affected developing countries which cannot afford to put up their own satellites and certainly cannot hope to outgun the Americans with home-produced entertainment. They fear cultural colonialism on a massive scale.

Britain's involvement is in L-Sat, in which another front runner is Italy. The satellite is due for launching in 1984 and Britain has yet to decide just what it is going to do with the five frequencies which will be available to it. The Government has just finished taking outside submissions on the project and should be coming out with answers early next year.

The British answer to the problem of financing, without having to set up another advertising medium, is likely to be a scrambled signal which could only be received by television sets which had a suitable descrambler. This in turn could only work when it was being fed with money. This is a rather elaborate way of keeping a Government grip on the system and of ensuring that the established broadcasting services are not rapidly overwhelmed by competition. Needless to say the scheme is a pet one of the BBC's, since it would give it additional revenue. ITV would prefer the whole satellite business to go away.

Even more badly placed in terms of broadcasting dogma are the Scandinavians. Their own joint project, Nordsat, continues to recede. Their costs are worringly high (for basic physical reasons tropical satellites come much cheaper than arctic ones) and most of the Scandinavian countries are totally opposed to advertising. No Swedish Government, for example, wants to see its nation's TV screens filled with Finnish commercials. Even if the five nations involved can sort out their differences and their financing it will be the late-1980s before their programmes are "footprinting" into Northern Scotland.

The main worry for British broadcasters is the prospect of competition from Radio-Tele-Luxembourg which is looking into the prospects for satellite transmissions. The earliest start date looks like being 1985 and again there is the problem of the huge start-up costs of any such scheme. No one believes it is possible to get a satellite system in operation for much less than £100m.

If Luxembourg does go ahead it is inevitable that its initial prime markets would be German and French-speaking audiences. English would be useful for many programmes but since the British audience might have to have booster aerials in order to pick up the signal, it seems unlikely that the station would be eager to rush into a full scale English-language service.

To pick up signals from any satellite the domestic viewer will need a range of additional equipment. Although the price of this would obviously fall, initially it could be more than £250—in other words it would double the price of a small- to medium-sized colour television set. To provide a service of sufficient attraction to get large numbers of people to invest on this scale is a major dilemma for the planners of satellite systems.

The answer, in most eyes, seems to be cable. Cable systems would collect the various signals from space and then send them over their networks. Customers, paying for what they watch by metered charges in the same way as they now pay for telephone calls or electricity, would choose which service they wanted. In some countries the use of cable would be simple. In Belgium 64 per cent of sets are connected to cable systems. In Holland it is 55 per cent. Already the people

The U.S. networks blame their poor ratings on pay-TV

of these countries are used to choosing between their own national broadcasting networks and those of neighbouring countries.

The British cable system is miniscule in comparison—a mere 14 per cent of sets. It is being kept down by a series of Governments worried about the effect on national off-air broadcasting if cable were to be given a free rein.

In the U.S. the cable systems, combining a multiplicity of regular television stations, pay-TV films and special events and, more recently, satellite services, are having a severe effect on normal broadcasting. In spite of the fact that only 22 per cent of American homes are on cable (the figure is rising rapidly), 36 per cent of this total subscribe to a pay-TV system. The networks blame some of their ratings decline this summer on the impact of pay-TV in particular. There are times when pay-TV, showing new films or sporting spectaculars, beats the main channels in the ratings.

Britain is feeling its way towards pay-TV, but with considerable caution. The traditional worry is that cable services will inevitably concentrate on the major cities. If they become rich they will be able to buy product and talent and consequently diminish the quality of the present broadcasting services. The viewer in Cornwall, the north of Scotland and parts of Wales would then have a much inferior television system to that in London or Manchester. Britain has always insisted that television should be equal in standard wherever the viewer.

Pressure against this traditional belief is, however, building up. Says the Cable Television Association: "Frankly we have never been able to understand why there should be any more restrictions upon what people may be allowed to receive, by subscription television, than there are upon what they can see in cinemas or obtain from libraries and bookshops."

Again the Home Office is considering the position and hopes to unveil a system of pilot schemes in the not too distant future. One supporter of the introduction of pay-TV is Sir Harold Wilson, who in the role of chairman of the Interim Action Committee on the Film Industry, has said: "Any scheme which provides additional outlets for the exhibition of films is in the interests of the community as a whole and of benefit to the film industry, and should therefore be encouraged."

Inevitably the problems centre around money once again. Cable only becomes really profitable if people are prepared to pay for it. To make them pay, they need to be offered considerably more than they can get if they simply own an ordinary television set.

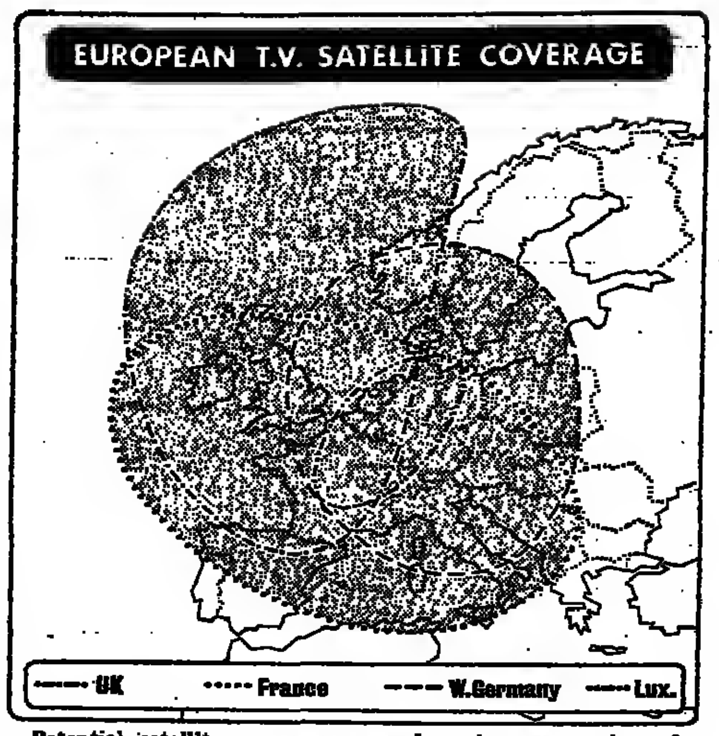
In the past the British Government has refused to allow any cable company to offer a wide range of additional channels or services. Whether it will be so unwilling in the future remains to be seen. It is in this area and in the provision that American cable companies can hang their lines above ground while the British companies have to bury them, at considerable cost, that the UK and American markets differ.

But the cable companies are interested in expansion not only because of the prospects of profits — for which they might have to wait anyway and which would probably be slim. They are fascinated by the long-term prospects of cable systems which will provide much more than just a few entertainment channels, even if some of those channels are coming in from foreign satellites. In the world of the future the cable could be an umbilical cord to all manner of information, entertainment and services.

Even in the world of entertainment the prospects are intriguing. Lord (Ted) Willis, speaking in the same Lords debate as Lord Hill, pointed out that things had changed considerably since the Annan Committee on the Future of Broadcasting suggested that cable television was too expensive a system for the nation.

"The rapid development of fibre optics, for example, means that the capital cost can be immensely reduced. Television can now be transmitted over lines which could not carry it before. Broad band systems would give us the opportunity to introduce genuine small-scale community television. There is no reason why a set should not have 24 buttons rather than four—and it can be done cheaply."

So the traditional broadcasters contemplate a future in which television sets have a multiplicity of buttons, in which every home will have a video-disc player, in which cable will pipe in first-run films to compete with "Coronation Street," and in which RT Luxembourg is beaming down vintage Hollywood from the sky. It is not a pleasant prospect for them, and perhaps not for us.



Potential satellite coverage areas depend on a number of technical factors. The map indicates the likely areas in the mid-1980s.

Weekend Brief

The fast-food destiny of some victims of the Glorious Twelfth . . . the two seater car that has a little too much punch for the highway

Off with a bang

When Lord Westbury of the Ritz sits down to lunch on Tuesday he'll come face to flank with the ultimate in fast food.

Bagged at dawn and served at lunchtime, the first of the new season's grouse — most prized of game morsels—will barely have had time to grow cold. It will have taken just seven hours from Scottish moor to London dining table and some 400 miles later, to shoot, deliver, prepare and serve. And that, some say, is the ideal way to sample grouse. Like *Beaujolais Nouveau*, the best taste is often the first.

This mapcap caper of shunting game the length of the country to keep a lunch date—itself the latest in a long line of Glorious 12th celebrations—heralds the most significant day in every shooting man's calendar. The start of the 12 week grouse shooting season. It's the day, when leisure man and working dog are unleashed onto the moors for their annual work-out.

So it is that on Sir William Roberts estate in Perthshire, at first light on the famous morn, the first of the 1980 vintage will be bagged and by means of a curious chain of winged messengers—including a World War 2 Westland Lysander, a scheduled British Caledonian airliner and finally a helicopter —arrive in the Ritz kitchens.

The shooting of red grouse is a very British affair. Unlike its cousin, the black grouse, red grouse is indigenous to our native heath and is found wherever heather, its staple diet, flourishes—from the Grampians down into Derbyshire.

It is as much the tradition and the time-honoured ritual as the social cachet that persuades rich — though not necessarily tycoon — Italians, Germans, Americans, now Belgians, Mexicans and ever more English to part with anything from £40 to £400 a day plus accommodation. All this for the privilege of standing knee-deep in heather taking home a brace of grouse and, as one enthusiast put it, "a stack of memories."

It is not exclusively a rich man's sport although a respectable income helps. Among party guests these days, you're likely to meet pilots, dentists, doctors, brokers, and bank managers in the butts.

Whether it is your idea of magic or murder, grouse shooting is a highly skilled business. Bagging this wildest of birds with its erratic flight and cheetah-like speed of up to 90 miles an hour, is no mean feat, demanding an eagle eye and laser-sharp reflexes. One landowner in the Borders insisted: "Visitors must be a proven shot before they can come along. We don't believe in cruelty, it must be a clean shot."

Grouse shooting may be sport to the guests who pay for the privilege, but for those who live and work on the thousands of moorland acres, its business.

For an average moor of say £1,000 a day for eight guns, the landowner has to settle beaters wages and pay a hefty county fee, and pay the gamekeepers whose year round responsibility it is to check the birds' culinary needs, keep down vermin and generally monitor the grouses' healthy growth.

The last five seasons have been disappointingly poor, culminating in last year's disastrous period when the severe winter followed by a non-existent spring massacred the young birds and forced many estates to rest their land and forego all shooting.

The weather plus a strong pound his year has, in some quarters, resulted in a reluctance of overseas visitors to put their money where their trigger-finger is. Another deterrent, it has been suggested, is the patronising attitude on the part of some landowners to their European guests and a tendency to oversell the estate when times were lean.

So what are this season's prospects? Happy to report, the tide of misfortune seems to have turned and those in the know speak with guarded optimism. Everywhere the story is the same—things are much improved on last year.

David Jackson of the Game Consultancy says he's expecting about an average season for any moor. John Phillips, a private game and wild life manager who has just finished a count, is more explicit. "Central and Eastern Scotland look good to very good. Parts of Perthshire are hopping with grouse. On average in Scotland there are four young to every hen, which is very encouraging."

Captain Farquharson of Invercauld in Aberdeenshire, proprietor of one of the most extensive and finest grouse moors in the country, says "this year's prospects are distinctly better than the last couple of years. We've had a warm spring with the lowest rainfall recorded in 125 years, at one point no rain for seven weeks."

What this means in real terms, is that a big moor which normally bags, say, 2,500 brace and last year a minimal 300, can expect just under 2,000.

Glyn Genin

Sir William Roberts hands over the first grouse of 1977 from his Perthshire Estate to a British Caledonian stewardess at Glasgow Airport for the next leg of the journey south.

A nippy car for two

Britain's long-established tradition of specialist car-making takes many forms, exemplified in the high quality and luxury of the Rolls-Royce at one end of the scale; the unabashed nostalgia of the vintage-style Morgan at the other.

For most, the common thread is an emphasis on individual craftsmanship, and an eschewing of mass manufacture. This last characteristic is manifest with the latest arrival on the scene, which has a production volume of one.

To test this latest vehicle in the same terms as its notable predecessors and contemporaries presents the reviewer with a considerable task, however. For the car in question is Thrust II, the current British challenger for the 622.407-mph world land speed record. The car will be making a series of summer appearances before a final star spot at the October Motor Show and preparation at Project Thrust's Isle of Wight workshops for the actual attempt early next year.

As far as driver comfort is concerned, one is struck immediately by the low priority given to non-essentials. While accommodation for driver and passenger was adequate, with exceptionally comfortable moulded seating, the lack of even a glove box appeared remarkable in a two-seater measuring 27 feet 1½ inches.

The enthusiast is prepared to forego such trappings, however, if there are adequate compensations in performance. Regrettably, it was not possible to assess the full performance, due to the constraints of time—30 seconds, 24½ of them with the engine switched off.

Nevertheless, it could be fairly said that this was a car with zest: the standstill to 220 mph time of 5.5 seconds was, as Rolls-Royce are fond of saying, "more than adequate. . . ."

Driver and project leader Richard Noble, a GKN marketing executive now working full time on the project under GKN sponsorship, and chief designer John Ackroyd are ecstatic after the early runs. The 26,000 horsepower Rolls-Royce Avon-engined car's performance appears to be meeting all its design criteria and some of the scheduled test programme is now being discarded as unnecessary.

Thrust II, designed for 650 mph-plus but only the second of a three-car project aimed at breaking the 1,000 mph barrier, has taken nearly four years to bring to its final stages. More than 120 UK companies, including British Aerospace, British Aluminium, TI and, more recently Initial Services, the industrial work wear and laundering group, have contributed to the development of a car currently valued at some £400,000.

Nevertheless, Noble estimates that another £200,000 may be needed to see the project through to completion and cover transportation and operating costs for the record attempt, sites for which are being evaluated worldwide.

As part of the continuing sponsorship drive, Noble hit on a unique idea for an extra lure: a passenger seat. A sponsor has yet to occupy it, but it did allow me to passenger with Noble on the first public run.

There is nothing remotely to compare with sitting two inches from what is essentially a souped-up Lightning fighter engine when the taps, including an afterburner, are turned on in anger.

Even restricted to 220 mph it was an unforgettable experience.

But at 650 mph-plus, Noble is all on his own. . . .

Contributors:
Feona McEwan
John Griffiths

Economic Diary

TODAY: Peace talks between Greek and Turkish Cypriots resume in Nicosia. The Queen visits Islay. Campaign for Nuclear Disarmament march, Manchester.

TOMORROW: British Furniture Manufacturers Trade Exhibition opens, Manchester (until August 13).

MONDAY: Wholesale price index numbers (July—provisional). Hire purchase and other instalment credit business (June). Retail sales (June—final). Central Government transactions for July (including borrowing requirement). U.S. Democratic Party convention opens, Madison Square Gardens, New York. Mr. Nicholas Ridley, Foreign Office Minister, visits Belize for talks on colony's future. White Fish Authority publishes annual report.

TUESDAY: Building societies' monthly figures for July. Index of industrial production (June—provisional). Grouse season opens. Fine Fare statement on minimising inflation for customers. British Eggs Authority announcement.

WEDNESDAY: BL shop stewards meet in Birmingham. Computer Graphics '81 Exhibition opens, Metropole, Brighton (until August 15). Commission for Racial Equality statement on investigation into a South London estate agent.

THURSDAY: UK banks' assets and liabilities and the money stock (mid-July). London dollar and sterling certificates of deposit (mid-July). Central Statistical Office publishes cyclical indicators for the UK economy for July. United Counties Agricultural Show opens, Carmarthen (until August 15). Dr. Gerard Vaughan, Health Minister, lays foundation stone for biotechnology plant to produce Interferon.

FRIDAY: Department of Employment publishes the retail prices index for July. Central Statistical Office issues the tax and price index for July. Balance of payments current account and overseas trade figures for July. British Steel Corporation and British Independent Steel Producers' Association publish usable steel production for July. Provisions of the Employment Act come into force covering unfair dismissal relating to trade union membership, repeal of recognition procedures, and repeal of Schedule 11 of the Employment Protection Act (Sections 7, 19(b) and 19(c)).

UK COMPANY NEWS

Wholesale Fittings passes £3.5m and pays 50% more

TAXABLE profits of Wholesale Fittings Company, electrical distributor, expanded from £2.24m to £3.54m in the year ended April 25, 1980, on sales some £4.9m higher at £24.46m.

The dividend is being lifted by 50 per cent to 15p (10p) net, with a final of 11p. It is also proposed to split the existing 20p ordinary shares into two ordinary of 10p, followed by s two-for-one scrip resulting in a holding of four new 10p ordinary for each old 20p ordinary.

Midterm profits were up from £0.85m to £1.49m, and the directors said it would be unwise to expect the rate of increase to be maintained in the second half. In the event, profits for that period improved from £1.39m to £2.05m.

Mr. D. S. Rose, the chairmsn, now says turnover for the first quarter of the current year shows an increase in monetary terms compared with the same period last year, but at a slower rate lhao that achieved in the period under review.

Costs continue to increase, but the group—with oew branches at Gillingham, Dartford and Guildford—is well placed to take advantage of any upturn in trading conditions.

Earnings per shsre for the year are shown well ahead at 71.4p (47.4p), before an extraordinary profit of £32,000 on a property sale.

Profits were struck after interest receivable of £37,000 (£31,000) but before tax of £1.04m (£0.58m).

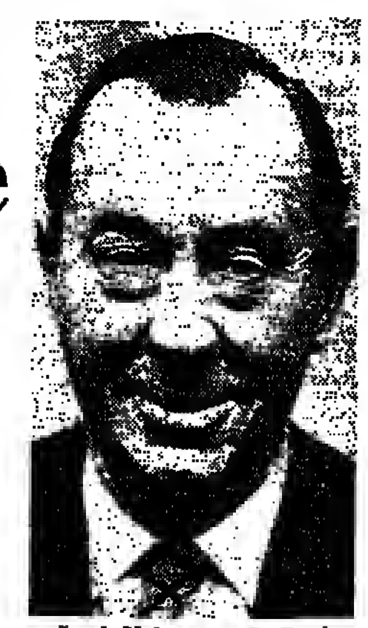
DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Adams and Gibbon int.	1.25	Sept. 18	1.75	—	5.75
Anglo-American Coal int.	36§	Oct. 17	30	—	90
Anglo-American Gold Int.	550§	Oct. 3	175	—	525
Ewart New Northern ...	2.5	Oct. 10	1.5	2.5	1.5
Ewart New Nthn. int.	1	Oct. 10	—	—	2.5
Hales Properties	2.5	Sept. 18	2.21	3.5	3.11
Norton and Wright ...	3.19	Sept. 29	2.25	4.47	2.98
Schlesinger Gilt Fund	0.69	Sept. 15	0.69	—	2.75
Howards Tenens	1.28	Oct. 1	1.08	2.28	1.9
Wholesale Fittings	11	Oct. 27	7.77	15	10

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.
‡ Third quarterly dividend making 2.0625p (same) to date.
§ South African cents.

● **comment**

A 58 per cent rise in pre-tsx profits for the year and a 50 per cent improvement in the second half over the first six months underlines the impressive growth record of Wholesale Fittings. In the current year two new depots have come on stream to bring the number up to 19 in all, however there are now clear signs of some slowdown despite s fsvourable monetary comparison with the corresponding figures last year. Nonetheless, with its strong balance sheet, WF looks like remaining a favourite which is one reason for the scrip issue and share split as the price has risen to rather unwieldy heights of late. Rising 30p yesterday to 775p, the fully-taxed p/e is just under 16 and the yield is 2.8 per cent.



Lord Nelson of Stafford Chairman of GEC

Further progress seen by GEC

THERE is no reason to think that the satisfactory progress of General Electric Company will not continue over the ensuing months and years, Lord Nelson of Stafford, chairman, tells members in his annual statement.

He points out that the sectors where the most rapid technological changes are taking place, electronics and telecommunications, are providing the growing sales and profits to offset the slackness in some of the heavy engineering and industrial divisions.

As reported on July 5, taxable profits for the 12 months to March 31, 1980, advanced from £378m to £415m. On a CCA basis they totalled £295m (£305m).

Meeting, Savoy Place, WC, on September 12, at noon.

Lex, Back Page

Howard Tenens recovery in line with earlier expectations

AS INDICATED at the time of the March rights issue, Howard Tenens Services has recovered from losses of £261,000 to a pre-tax profit of £1.13m on turnover of £26.69m compared with £39.53m. The final dividend is the expected 1.28p to make a 2.28p total against 1.9022p previously.

The group continues to trade profitably hut the Board says it would be optimistic to suggest that profit for the current year will exceed that of 1979-80.

However, as stated in the rights issue document, the dividend on increased capital will be maintained.

Total reserves at March 31, 1980, stood at £9.66m (£5.47m) including a £3.94m (£1.02m) surplus on revaluation of properties. The Board is satisfied that the financial position has been very significantly strengthened.

Profit for the year includes associates profits of £151,000 (£122,000) but is after interest of £773,000 (£943,000). Tax charge is £308,000 (£17,000 credit) giving earnings per share of 5.57p against a 2.43p loss.

Trading profit of £1.75m (£560,000) included trading losses of subsidiaries sold of £108,000 (£1.19m).

Extraordinary items amount to £151,000 (£547,000), minorities take £111,000 (£65,000) and £265,000 is put to reserves against the previous year's £1.11m withdrawal from reserves.

● **comment**

It is hardly surprising that Howard Tenens profits are within a whisker of the forecast made at the time of its rights issue. The prediction was made on the last day of its financial year. After allowing for the lower interest charge and the sale of subsidiaries, the improvement at the trading level is only about £100,000 for the remaining business but the main consolation for shareholders is a significant strengthening of the balance sheet. Gearing is well down and, following the rights issue, the price of 70p represents a significant discount to net worth. With the motor industry in depression, the company is clearly experiencing a difficult year and, even allowing for the asset backing, it is hard to justify the p/e of over 12 on reported earnings except in the context of bid speculation. The yield is 6.8 per cent.

Wheway expects deficit

SUBSTANTIAL losses are expected by Wheway Watson Holdings for the first half of the current year. The group is likely to return to overall profitability in the second six months, although it is uncertain whether profits earned will fully recover the anticipated loss for the first half.

Reporting this at the annual meeting yesterday, Mr. W. Gibson Bisgart, chairman, said the number of employees in the enlarged group had been reduced by over 200 so far this calendar year.

Containment of costs, increased margins and a positive cash flow continued to be major objectives. The benefits of the action taken to rerent months would not he felt until the second half, he added.

Pre-tax profits fell sharply from £910,000 to £510,000 in 1979/80, with £219,000 (£251,000) coming in the first six months.

The merger with Joseph Shakespeare and Co. had coincided with a downturn in demand from its markets and this trend had continued

Dewhurst Dent sees heavy loss

A WARNING that reorganisation costs are likely to result in substantial full-year losses from Dewhurst Dent comes with the announcement of a dive to just above hreak-even at the interim stage.

The pre-tax surplus tumbled from £521,223 to £37,504 for the six months ended January 19, 1980, on turnover of £11.7m, against £11.29m. Taxable profits in the last full year were £322,635 (£489,902).

Despite good results from the glove division, the directors say, the textiles side has been and continues to be hard hit by the recession, coupled in some sections with competition from cheap exports.

There are strong indications that reduced demand for home textiles will be permanent in some areas, and the directors have decided to contract the textiles side accordingly.

This has involved the closure of the non-woven manufacturing unit at Consett, the closure or amalgamation of some of the converting units, and a reduction of capacity in some of the group's other manufacturing units.

These actions will eventually lead to the group being less reliant on its textile interests, they add.

Reorganisation on this scale in the current economic climate is very costly as it involves the disposal of stocks and other assets, redundancy payments, and the inevitable disruption of production.

The bulk of these costs will be reflected in the year's results, which are expected to show a substantial loss, the directors state.

The changes will enable the group to remain competitive in its market sector and will not, on the whole, greatly affect its earning capacity when trade improves.

They say it is impossible to forecast second-half results. There has been no sign of any improvement and it is difficult to pass on increased costs. However, the group is currently able to sell most of its new planned production capacity, and stocks are gradually being reduced.

Profits from the glove division, while expected to be lower than last year, should be satisfactory.

Results due next week

Analysts have been marking down their forecasts for Unilever's second quarter profits, due next Tuesday, to a range of between £165m and £175m. Few are expecting an improvement on last year's £177m, even after a surprisingly strong first three months. The pronounced element of uncertainty centres mostly on the extent to which de-stocking took place in the second quarter. Demand for almost all food products will have been poor in Northern Europe and little, if any, improvement can be expected from Lever Brothers in the U.S. Subsidiaries in developing countries may show s better return in aggregate, although overseas profits will have been reduced by the strength of sterling. Figures are not, however, adjusted for exchange movements until the end of the year.

BOC will be converting its third quarter figures at an exchange rate of around $2.36, which will significantly depress the profits due next Thursday. They could well slip to around £16½m from the £19m recorded last year. Even before exchange adjuatments, the picture will not have heen hright with lower demand in the U.S. reducing the Airco margio. In the UK, chemicals and engineering will have hean under pressure though price increases should have mitigated problems on the gas side. BOC remains highly geared and the interest charge will again look uncomfortable.

There will be more news from the beleaguered textiles industry next week as Carrington Viyella slips into loss and Nottingham Manufacturing reveals lower pre-tax figures. On Wednesday, Carrington provides a glance at its interim performance, with the burdens of hlazing interest charges, reorganisation costs, import competition and flat demand for its products. Against last year's pre-tax of £5m at the half-way stage, analysts are now expecting a pre-tax loss of perhaps £0.5m. It is not certain that the company will include its large reorganisation expenses in its interim announcement; these may be deferred and could push the group into a year-end loss as well. If there is any interim dividend it is likely to be a nominal one.

Meanwhile, Nottingham Manufacturing starts the week off on Monday and should produce pre-tax profits of between £4½m and £5m against last year's £6m interim pre-tax. Notts has an exceedingly strong halanre sheet and may he abla to compensale for some trading setbacks with investment income. But it is rather dependent on Marks and Spencer, which is being very tough on prices, and the whims of the retail trade hardly make for optimism these days.

The wonder of Woolworths will not be extending to its first six months profits, out on Wednesday. After £2.9m in the first quarter analysts reckon that things have gone from bad to worse and are predicting £5m pre-tax against £16.3m in the first half last time. That means that profits in the second quarter are 24 per cent of last year's figure when Woolworth was one of the few retailers not to do particularly well out of the pre-VAT hike sales boom. The dividend is expected to be kept at last year's level of 1.3475p, if only because the U.S. parent company will probably insist on it.

Interim figures from Automotive Products on Thursday will provide a reflection of the troubles of the motor industry. About 65 per cent of the group's turnover comes from aftermarket sales with the remainder being made up supplying original equipment to the car assemblers. Both sides of the business have heen hit just about equally hy massive deslocking which is only now starting to bottom out. The result is that aales are 14 per cent below hudget and AP's pre-tax profita are likely to have been cut from £7.9m to £3.5m with little prospect of any recovery until the final quarter. The interim dividend does not look threatened however, and should he maintained at 1.5p.

Two leading composites, Commercial Union and General Accident, are expected to raport higher half-time underwriting losses next week on Tuesday and Wednesday respectively, even though the period was comparatively free of severe weather conditions or any major storms. This only served to soften the effect of the current downswing of the cycle in the U.S. The UK account of CU is likely to remain firm and GA's major UK motor account should have recovered from the appalling first quarter results. The worsening underwriting losses are fuelled by adverse trading conditions in Canada, Australia and Europe. Investment income arising from increasing reserves and continued high interest rates in the UK and the U.S. should more than offset the higher underwriting losses for GA leading to a pre-tax profit of £40m against £32m. CU, however, could show a slower rate of income growth, leading to pre-tax profits about the same as last year's £58m. A substantial 15 per cent risa in GA's dividend is anticipated hut only around 10 per cent for CU.

Next week's hatch of companies reporting will also include preliminary figures from Letraset on Tuesday and United Dominions Trust on Wednesday.

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
Abwood Machine Tools	Tuesday	—	0.4	—
AGB Research	Thursday	1.4	3.0	2.5
Allen (W. G.) and Sons (Tipton)	Thursday	0.8	2.18	0.8
Carrington Investments	Thursday	—	2.4	—
Glossop (W. and J.)	Tuesday	1.6125c	2.626	1.576
Group Investors	Tuesday	0.8	1.4	1.0
Hallite Holdings	Monday	2.15	4.5997	2.5
Howard Shuttering (Holdings)	Monday	0.54	1.0	0.8
Imry Property Holdings	Wednesday	1.2	4.0	2.5
Letraset	Tuesday	0.987	5.50318†	1.09
Malayala Rubber (The)	Thursday	0.75	2.5	1.0
Newmark (Louis)	Thursday	3.0	6.0	3.5
Phoenix Timber (The)	Friday	2.0	3.0	2.0
Pifco Holdings	Friday	0.95	3.05	1.6
Property Security Investment Trust	Monday	0.5	1.1	0.5
Reegill Holdings	Tuesday	0.75	1.56	0.75
Webb (Joseph)	Wednesday	0.11671	0.38293	0.1313
INTERIM DIVIDENDS				
Automotive Products	Thursday	1.5	1.67788	
Bridgewater Estates	Wednesday	4.5	11.5	
Britannic Assurance	Wednesday			
Broadstone Investment Trust	Monday			
Carrington Viyella	Wednesday			
Cnmben Group	Monday			

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
Commercial Union Assurance	Tuesday	4.254a	5.8	
Coreh	Friday	1.25	1.65	
Dreamland Electrical Appliances	Wednesday	0.35	0.85	
General Accident Fire & Life Assurance Corporation	Wednesday	5.5	6.5	
Horizon Travel	Wednesday	1.87	5.48	
Manchester Ship Canal (The)	Monday	7.987b	10.88	
Mercantile Investment Trust (The)	Tuesday	0.729	1.8	
Nottingham Manufacturing (The)	Monday	1.0	2.75	
Ratcliffs (Great Bridge)	Thursday	1.0	1.5†	
Rea Brothers	Thursday	0.54375	0.95625	
Relyon (P. & W. S.)	Friday	1.8	3.0	
Securicor Group	Wednesday	0.45	1.02	
Security Services	Wednesday	0.825	1.65	
Stenhouse Holdings	Thursday	1.82	2.7	
Transport Development Group	Monday	1.45	2.8	
Woolworth (F. W.)	Wednesday	1.3475	3.5695	
INTERIM FIGURES				
Murray Western Investment Trust	Monday			

* Dividends shown net pence per share and adjusted for any intervening [illegible] second interim. ‡ Total includes non-recurring dividend of [illegible] ludes non-recurring dividend of 0.22p. The following are [illegible] included to allow for the change in the tax rate: [illegible]

● NEWS ANALYSIS—WOOLWORTH BUYS B & Q

New routes to old glory

BY ALAN FRIEDMAN

"I WANT to get Woolworth back to the poistion it once enjoyed," said Mr. Geoffrey Rodgers, the group's chairman. With these worda he began to explain why the UK's largest store chain was paying netarly £17m for B & Q, the DIY group which sprang ontc the market in May 1979.

The purchase hy anyhody of B & Q is not surprising—it has hardly been a secret that the group would not be averse to an appropriately-sized offer. But the Woolworth role underlines three main points.

Total cake

First, this deal can he seen as a part ofthe rationslisation of the DIY sector in Britain. Last year's DIY volume sales growth rate of 7 to 8 per cent has slowed considerably amid the current squeeze on consumer spending to around 2 or 3 per cent. A number of UK groups have been laying claim to seemingly infinite DIY trade, the total cake is beginning to look more finite these days and sector rationalisation is a natural process.

Second B. and Q's profits growth has heen slowing down and it needs a well-heeled friend to help finance its further expansion. The chairman of Woolworth estimates that B. and Q'a current year pre-tax profits will he around £2.5m, against £2.3m last time. But Mr. Rodgers expresses complete enthusiasm for the "rapid growth" of B. and Q. as an indepenrient entity within the Woolworth family.

Finally, Woolworth itself could use an extra avenue for growth. Although sales have increased from £378m in 1972 to more than £888m last year, pre-tax earnings have risen only from £40m to £56m in the past elght years.

Mr. Rodgers admitted as much when he spoke of the position Woolworth once occupied as a msjor force in British retailiug. He noted that the group's earnings have not been keeping up with assets and acknowledged that next week's interim results will he very poor.

With Woolworth's mld-year profits expected lo fall well helow half of last year's £16m, the group is wise to seek new routes to improvement. Although the DIY sector has heen hit hy the difficultiea of the retail trade, it is slightly hetter placed than the average consumer-orlentated business. This is partly hecauae the DIY husiness is concerned with certain staple items such as decorative items and small household tools.

Interests

Woolworth's chairman promises to keep the B and Q company at arm's length within the group. "We do not intend to impose our ideas upon them," he commented yesterday.

But there are certain natural confluent interests which should he nseful. For example, the "Cover Plus" paint lines sold by Woolworth and supplied by Donald MacPherson may offer a reasonahle fit between parent and B and Q.

In addition, Woolworth announced a fortnight ago that it was planning to increase its share of the DIY market through the creation of a new specialist division. The group expects to open at leaat 25 out-of-town DIY stores and to expand and modernise existing outlets.

In existing stores the space allocated to DIY, which includes lighting and gardening, is to be increased by a quarter to around 20 per cent of the total.

The £16.6m cash which is to he paid for B and Q will not impose mnch of a financial strain on a group with sales approaching £1bn a year and a lightly geared halance sheet. The return, if B and Q is properly nurtured, could he well worth the investment.

Charterhouse Petroleum sale completed at 68p per share

The offer for sale of a majority stake in Charterhouse Petroleum has been successfully completed, although the sale price of 68p per share represents only a small premium over the minimum tender price of 65p.

The offer of 41m shares, representing 51.25 per cent of the issued capital, attracted applications for 47.3m shares from 7,129 subscribers. The offer, made by Charterhouse Group, was open only to shareholders of Charterhouse and Keyser Ullmann, as well as to employees of Charterhouse Petroleum.

Mr. Philip Ralph, a director of Charterhouse Japhet, said the price of 68p was a couple of pence lower than expected. The bulk of institutional applications were in the region of 70p but they were just sufficient to hold the price at that level.

Mr. Ralph added that he was quite satisfied with the outcome since the beneficiaries of the fairly low striking price would be the group's own shareholders. "I would much prefer a solid price which we are all comfortable about to a price with a lot of froth in it," he said.

Dealings in the shares will begin on August 13 and Mr. Ralph said he expects the price to trade at a fair premium. Applications were received from roughly one in every four Charterhouse and Keyser Ullmann shareholders and all applications of up to 500,000 shares were allotted in full.

Charterhouse Group will retain a 48¾ per cent holding in the new company, which has a 2.3 per cent interest in the Thistle Field together with cash of £20m and holdings in several North Sea licences.

Barclays Sth. Africa

Pre-tax profits of Barclays National Bank of South Africa reached R55.5m in the first six months of 1980. For the six months to March 31, last year, pre-tax profits amounted to R31.6m.

The results are not directly comparable because of a change in the year-end from September to December.

Barclays, a subsidiary of Barclays Bank, is South Africa's largest hanking group with assets totalling R7.8bn at the end of June. The directors said the profit boost was mainly due to a slow rise in commercial banking costs and a sharp rise in income on foreign exchange operations.

Downturn at Hales Properties

Turnover of Birmingham-based Hales Properties improved from £884,700 to £909,629 in the year ended March 31, 1980, but pre-tax profits showed a downturn to £351,823 compared with £395,029 previously.

However, stated earnings per 25p share are up from 9.85p to 11.93p and a final dividend of 2.5p lifts the total from 3.1066p to 3.5p.

Midway profits had increased from £155,335 to £190,005 and the board was then confident that the year's results would compare favourably with 1978-79.

Tax charge for the year is £127,335 (£199,583) and the attributable profit amounts to £288,111 against £213,078 after extraordinary credits of £63,623 (£32,632).

William Jackson over £2m

FOLLOWING the midway increase from £0.95m to £1.1m, William Jackson and Son, tha supermarket and discount store group, lifted pre-tax profits to £2.17m in the year to April 26, 1980, compared with £1.87m in the previous year.

Turnover improved from £102.45m to £119.87m.

Tax takes £646,317 (£375,762), giving earnings per share of 67.4p, against 66.2p. The group, which is close, is paying a dividend of 7p, compared with 6.5p.

EWART NEW NORTHERN

Following the first-half recovery from losses of £2,198 to £12,046 profits, Ewart New Northern, said to be the largest property group in Northern Ireland, improved further in tha second half and pre-tax profits for the year ended April 30, 1980, were £28,896, compared with £17,837 previonsly.

The dividend is lifted from 1.5p to 2.5p. Profitability has cootinued to improve in tha current year and the hoard has declared an interim dividend of 1p for 1980-81.

BIDS AND DEALS

Mid-east consortium buys into French Kier

A Middle East consortium has taken a 10.02 per cent stake in French Kier Holdings, the civil engineering and construction group which has substantial overseas interests.

Aljazira Contracting Company—one of the largest non-Government Middle East consortia—announced yesterday that it had acquired a 4.9 per cent holding outside the market last Monday and purchased a further 100,000 through de Zoete and Bevan in the market.

Together with shares held by nominees these transactions take its total holding up to 4.78m shares. At yesterday's price of 40p, the stake is valued at £1.9m.

Aljazira does not plan to increase its stake in the company in the foreseeable future, but believes the two companies will continue to benefit from this association to the advantage of shareholders in both companies.

French Kier, which has been active in the Middle East for about five or six years, is involved in a joint venture construction contract with the consortium in Iraq.

Mr. John Mott, chairman of French Kier, said yesterday that there are plans for the company to enter into further such contracts in the Middle East in association with Aljazira. The group had just entered a bid for a contract and "there were prospects for other things in the future," he added.

Mr. Mott said that Aljazira, which operates as a contracting management company, wanted to be associated with a well-established UK company. It is not seeking board representation.

This association with Aljazira is expected to reap considerable benefits for French Kier. Aljazira is well connected throughout the Gulf with substantial amounts of money and contacts behind it. There is a lot of work in that part of the world and also in North Africa and Libya. Aljazira regards a tie up with French Kier as very helpful in adding strength to its tenders.

Aljazira—established in 1978 with an authorised capital of $53m (20 per cent paid up)—promotes Pan-Arab projects and undertakes major construction consignments. The company is the promoter and main contractor of the $350m Bahrain steel pelletising project. In addition, it has recently heen awarded a major land reclamation contract in Iraq worth $135m.

In 1979 French Kier had a turnover of £209m and made profits before tax of £8.3m. Of the figures, 19 per cent (22 per cent) of turnover and 42 per cent (39 per cent) of profits came from overseaa operations.

JFB gets option to purchase Amal. Industrial subsidiaries

Amalgamated Industrials, controlled by the family interests of Norwegian financier Mr. Per Hegard, has sold an option to the Sheffield steel-making and engineering company Johnson and Firth Brown to acquire several of its trading subsidiaries.

Under the terms of the deal JFB will have an option to acquire Everbright Fasteners, Lion Steel Equipment, Gills Pressure Casting and Stainless and Alloy Steels which will expire at the end of January next year. The consideration for the option is the transfer of £250,000 12 per cent unsecured loan stock 1999 of Richard Garrett Engineering from JFB to Amalgamated Industrials.

Meanwhile, JFB will be putting its own management and capital into the companies for which it will receive a fee from Amalgamated. If the option is exercised, JFB will make a further payment of £270,000, or a bit less depending on the tax position.

Three weeks ago Amalgamated disposed of its remaining interest in the electronics manufacturer and distributor Derritron. The proceeds of that sale were said to be aimed at reducing bank and other indebtedness. In June, Amalgamated also announced that cash flow problems prevented it from paying the interim dividend of 10.6 per cent on the preference shares.

As a result of this latest attempt to strengthen the balance sheet Amalgamated's accounts for the year to the end of December 1979 will be delayed. Three directors have left the group's Board and Seton Securities has been appointed as a corporate director while Mr. Hegard continues as chairman. Sinkguard Limited has been appointed sole managing agants of the company till August next year.

INCHCAPE

Following a purchase of 297,287 ordinary, the interest of Inchcape family investments is now 5.31 per cent. A trust in which the Earl of Inchcape, director, has a beneficial interest has sold 62,500 ordinary.

RANSOME HOFFMANN

Ransome Hoffmann Pollard has issued 9,906 new ordinary in consideration for the acquisition of further shares in Technograph to make its total holding 99.9 per cent. It has contracted to acquire the outstanding shares.

BTR overseas asset revaluation

BTR, the British ruhher and plastics company, has revalued some of its overseas assets to produce a surplus of £20m, according to the formal document on its £61m bid for Huyck Corporation of the U.S.

This lifts BTR's net assets to £205.6m, a total which the addition of Huyck will increase further to £278.9m. This includes $38m (£16.2m) from the expected revaluation of Huyck's assets over hook value.

BTR is offering $25.125 cash per shsre for Huyck, which makes paper machinery, clothing and equipment. Huyck's president and chief executive, Mr. Donald Grubb, will receive up to $2m (£850,000) over the next nina years under an employment agreement running from the date of the merger to October 1989.

Fitch Lovell purchases Bells Bacon

Fitch Lovell has acquired the capital of Bells Bacon (Evesham).

Bells is engaged in the slicing, packing and wholesale distribution of hacon and ancillary products and total net assets at March 31 amounted to £303,000.

The initial minimum consideration was £330,000, satisfied as to £297,200 in cash and the balance by the allotment and issue of 41,000 Fitch Lovell 20p ordinary.

The total consideration will be determined by reference to the profit performance of Bells in the current and next two financial years and two further cash instalments will be payable when audited accounts are available. The total consideration will in no circumstance exceed £1m.

SHARE STAKES

Ferranti—Mr. B. Z. de Ferranti director, has disposed of 135,250 ordinary. His beneficial interest has been further reduced by the sale of 109,750 ordinary in respect of his children under 18 years of age. Mr. de Ferranti's further interest is now 1.77m ordinary (4.16 per cent). The interest of Mr. S. Z de Ferranti has been reduced by the sale of 213,000 ordinary, leaving holding at 1.67m (3.91 per cent).

Possible offer for Borthwick NZ interests

Thomas Borthwick, the international meat trader, may get a bid for its New Zealand meat interests. Borthwick, which showed losses of almost £1m in the first half of 1979-80, earlier this year announced the termination of a project to rationalise slaughtering in New Zealand.

Mr. Bill Bullen, the chairman said yesterday that he was aware of rumours of a possible bid by Waitaki NZ Refrigerating for all or part of the group's New Zealand meat interests, but no approach had been received.

In Christchurch, New Zealand Meat Producers Board chairman, Mr. A. M. Begg said that the board had been considering the implications of a possible bid from Waitaki and would be watching the situation further.

ASSOCIATES DEALS

Montagu Loebl Stanley sold, on behalf of Dillroad, a wholly owned subsidiary of McLeod Russel, 880,975 shares, representing 12.4 per cent of Brownlee and Co.

S. G. Warburg and Co., as an associate of Laporte Industries (Holdings) has bought on behalf of discretionary investment clients, 50,000 ordinary of

Silentnight disposes of loss-maker

The manufacturing hnsiness of Foster Len has heen sold as a going concern hy Silentnight Holdings to Pell, a furniture manufacturing subsidiary of Uniflex Holdings, for £285,783 cash. This follows the announcement on July 21 that Silentnight intended to close the business.

The hook value of the assets being sold was £1.56m at February 2, 1980, and the attributable trading losses for the year to that date were £376,257. Following continuing losses in the current year, the capital loss on the disposal is expected to be £876,000 less than previously anticipated on the proposed closure.

NO PROBE

The merger between Bunneo and the Tate and Lyle feeds division is not to be referred

هكذا من الأصل

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Hiram Walker is not to proceed with the £80m bid for **Highland Distilleries** following the Monopolies Commission report stating, inter alia, that Highland would be more successful in export markets as an independent company and that a merger could lead to a loss of efficiency. The report was also concerned that a merger would mean a further concentration of foreign-controlled quality distilleries in Scotland.

Reo Stakis, the Glasgow-based hotel and leisure company, received Gaming Board approval for part of its proposed deal to buy five provincial casinos from Ladbroke for £4.4m cash.

Scotland-based **Kwik-Fit (Tyres and Exhausts)** is paying more than £3m cash for **Firestone Tire and Rubber's** 180 UK retail tyre and exhaust fitting depots. Kwik-Fit will sell off properties it does not want, and reckons the deal will eventually add 60 stores to its 140 retail depots in the UK, thus giving a national presence.

BPC, the printing and publishing group, sold Jane's Publishing Company, famous for its Jane's Fighting Ships publication, to **Thomson Books**, a subsidiary of Thnmson British Holdings, for £3.15m. BPC intends to use the funds to rednce bank debts.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder	Final Acc't'ce date
Prices in pence unless otherwise indicated.						
B. & Q. (Retail)	85*	82	66	1.66	F. W. Woolwth.	—
Barget	12*‡	23	18	0.17	Tinnox	—
Bio-Kil	150*	142	100††	1.50	Laporte	—
Christy Bros.¶¶	30*	36	33	0.60	Simon and Coates	—
Corn Exchange	51§§	50	47	11.32	British Land	—
County and Dist. Props.	190*	180	195	16.35	Costain	—
Hay's Wharf¶¶	250*	245	272	53.74	Kuwait Inv. Office	—
Hensher	102*	103	78	1.63	Tebbitt	—
Hensher 'A'	99*	102	75	3.17	Tebbitt	—
Kayser Bondor	100*§	98	56	0.67	Courtaulds	—
Lidstone	280*	310	290	0.51	Gresham Hse. Estate	—
Macanie (Lond.)	30*§	30	23	0.38	Courtaulds	—
Manson Trust	39*	46	33	3.84	Hong Leong Finance	—
Mackinnon Scot.	48‡	48	25½	1.17	Dawson	—
Marshall Cvndish.	31‡	29½	27	4.60	Times Publshg. Berhad	—
McCleery L'Amie	19§§	17	17	2.44	Lamont	15/8
Natinnwide Leisure	6*‡	8	9	0.66	Rantledge	—
Revertex	50*	42	44	5.02	Yule Catto	22/8
Rolls-Royce¶¶	61	60	56	36.05	Vickers	11/6
RTD	5½*	12	6½	0.12	Simon and Coates	—
Selection Trust	£12‡	£12½	£12¼	409.12	BP	10/8
Stanhope Gnl. Inv.	200*	192	170	2.56	Dares Estates	—
Unicorn Inds.	127†	124	121	37.14	Foseco Mnsp.	8/8
UK Props.	54‡	61½	47¼	22.97	British Land	—
Wilkinson Match	187*§	180	160††	29.73	Allegheny Ludlum	—
Wolf Electric	116½	115	62	15.01	Dobson Park	15/8

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. || Date on which scheme is expected to become operative. ** Based on 6/8/80. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional. ‡ Ordinary share alternative.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Aaronson Bros.	Mar.	1,430	(2,000)	1.2	(1.2)
Anglo-Intl. Tst.	June	247	(215)	2.0	(1.5)
Anlt & Wiborg	June	978	(1,290)	0.75	(0.75)
Bibby (J.)	June	4,550	(4,020)	2.2	(2.0)
Bristol Stadium	June	51	(11)	—	(—)
Brit. Aluminium	June	9,070	(11,050)	5.5	(5.5)
Carron	June	67	(860)	0.85	(0.85)
Clarke (T.)	June	277	(201)	0.63	(0.53)
Cornell Dresses	June	53L	(17)	—	(—)
Davies & Metcalfe	June	92	(224)	0.45	(0.45)
East Lancs. Paper	June	63	(615)	1.66	(1.66)
Evode	Mar.	752	(322)	0.49	(0.43)
Glynwed	June	9,020	(8,639)	3.45	(2.45)
Goode Durrant	Apr.	764	(523)	—	(—)
Hoover	June	1,558	(981)L	4.0	(5.61)
Mole (M.)	June	65L	(12)	—	(—)
Rentokil	June	6,600	(5,610)	0.95	(0.85)
Rock Darham	June	172	(260)†	—	(—)
Smallshaw (R.)	Mar.	105	(155)	0.5	(0.5)
Teylor Woodrow	June	8,160	(7,660)	3.15	(3.15)
Tube Investments	June	24,200	(30,400)	12.5	(12.5)
Wstmnster. Prop.	Mar.	184	(42)	—	(—)

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
AAH	Mar.	9,070	(6,820)	27.2	(18.8)	8.5	(7.0)
Ailsa Trust	May	824	(674)	7.8	(8.1)	7.7	(5.84)
Assoc. Tooling	Feb.	181	(153)	3.9	(3.8)	3.86	(3.03)
Austin (James)	Mar.	882	(1,130)	10.1	(12.9)	4.67	(4.67)
Benn Brothers	June	1,030	(1,130)	8.5	(8.2)	3.4	(3.0)
Black (Peter)	Apr.	2,340	(2,280)	19.2	(20.1)	4.25	(3.85)
Centreway	Mar.	1,380	(1,560)	57.4	(48.3)	10.0	(10.0)
Centreway Trust	Mar.	476	(283)†	42.9	(18.8)†	8.0	(8.0)†
Coghlans	Mar.	287	(84)	58.0	(52.0)	12.5	(15.0)
Cowan De Groot	Apr.	2,570	(2,200)	14.4	(14.6)	3.5	(2.73)
Ellis & Everard	Apr.	1,540	(1,051)	10.8	(13.9)	6.5	(5.75)
FMC	Apr.	2,540	(2,510)	16.5	(17.0)	6.0	(6.0)
Garford Lilley	Mar.	522	(438)	3.8	(3.2)	1.15	(1.0)
Gnome Photo	May	343	(419)	7.7	(8.3)	4.15	(4.15)
Hillards	Apr.	2,230	(2,540)	22.9	(13.4)	4.25	(3.5)
Jacksons Bourne	Mar.	332	(176)	16.5	(10.5)	5.0	(3.0)
Longton Ind.	Mar.	1,920	(1,660)	24.3	(22.3)	5.0	(5.0)
ML Holdings	Mar.	1,030	(833)	40.4	(37.7)	7.0	(6.0)
Nolton	Apr.	375	(323)	9.4	(7.4)	3.3	(2.2)
Norton (W. E.)	Mar.	247L	(749)	—	(3.6)	0.4	(0.82)
Owen & Robinson	May	85	(49)	69.1	(62.1)	20.0	(16.0)
Rotaprint	Mar.	174	(525)	2.0	(8.8)	1.12	(2.93)
Smith Brothers	Apr.	1,200	(282)	6.0	(1.2)	2.5	(1.6)
Smith (David S.)	Apr.	1,580	(889)	14.1	(7.8)	7.0	(4.75)
Smith Whitworth	Mar.	96	(95)	2.6	(1.3)	—	(0.3)
Unitech	May	5,260	(3,560)	14.9	(14.2)	6.09	(5.0)
Wagon Industrial	Mar.	4,840	(4,220)	34.0	(32.2)	10.0	(8.72)
Waring & Gillow	Mar.	4,310	(5,030)	16.3	(21.8)	5.5	(5.09)

(Figures in parentheses are for corresponding period.)

* Dividends shown net except where otherwise stated. † For previous nine months. L Loss.

Scrip Issue

Wagon Industrial Holdings: One for one.

Offers for sale, placings and introductions

Newcastle and Gateshead Water Company: Offer for sale by tender of £5.75m 6½ per cent redeemable preference stock 1985 at a minimum price of £99 per cent.

BASE LENDING RATES

A.B.N. Bank .... 18 %	■ Hambros Bank .... 16 %
Allied Irish Bank ...... 16 %	■ Hill Samuel ....§16 %
American Express Bk. 18 %	C. Hoare & Co. ....†16 %
Amro Bank .... 16 %	Hongkong & Shanghai 16 %
Henry Ansbacher ...... 18 %	Industriel Bk. of Scot. 16½%
A P Bank Ltd. .... 16 %	Keyser Ullmann ...... 16 %
■ Arbnthnot Latham ... 16 %	Knowsley & Co. Ltd.... 18 %
Associates Cap. Corp. 16 %	Langris Trust Ltd....... 16 %
Banco de Bilbao ...... 16 %	Lloyds Bank .... 16 %
Bank of Credit & Cmce. 18 %	Edward Manson & Co. 17 %
Bank of Cyprus .... 16 %	Midland Bank .... 16 %
Bank of N.S.W. .... 16 %	■ Samuel Montagu ...... 16 %
Banque Belge Ltd. ... 18 %	■ Morgan Grenfell ...... 18 %
Banque du Rhone et de la Tamise S.A. 16½%	National Westminster 16 %
Barclays Bank .... 16 %	Norwich General Trust 18 %
Bremar Holdings Ltd. 17 %	P. S. Refson & Co. ... 16 %
Brit. Bank of Mid. East 16 %	Rossminster .... 16 %
■ Brown Shipley .... 16 %	Ryl. Bk. Canada (Ldn.) 16 %
Canada Perm't Trust... 17 %	Schlesinger Limited ... 16 %
Cayzer Ltd. .... 16 %	E. S. Schwab .... 18 %
Cedar Holdings .... 17 %	Security Trust Co. Ltd. 17 %
■ Charterhouse Japhet... 16 %	Standard Chartered ... 16 %
Choulartons .... 16 %	Trade Dev. Bank ...... 16 %
C. E. Coates .... 16 %	Trustee Savings Bank 16 %
Consolidated Credits... 16 %	Twentieth Century Bk. 16 %
Co-operative Bank ......*16 %	United Bank of Kuwait 16 %
Corinthian Secs. ...... 16 %	Whiteaway Laidlaw ... 16½%
The Cyprus Popular Bk. 16 %	Williams & Glyn's ...... 16 %
Duncan Lawrie .... 16 %	Wintrust Secs. Ltd. ... 16 %
Eagil Trust .... 16 %	Yorkshire Bank .... 16 %
E. T. Trust Limited ... 15½%	■ Members of the Accepting Houses Committee.
First Nat. Fin. Corp.... 19 %	* 7-day deposits 14%. 1-month deposits 14¼%.
First Nat. Secs. Ltd. ... 19 %	
Robert Fraser .... 16 %	† 7-day deposits on sums of £10,000 and under 14%, up to £25,000 14¼% and over £25,000 14½%.
Antony Gibbs .... 16 %	
Greyhound Guaranty... 16 %	
Grindlays Bank ....‡16 %	‡ Call deposits over £1,000 14%.
■ Guinness Mahon ...... 16 %	§ Demand deposits 14½%.

CORAL INDEX: Close 481-486 (+4)

MINING NEWS

Hudbay earnings still well ahead at half-way stage

BY KENNETH MARSTON, MINING EDITOR

THE Anglo American Corporation group's **Hudson Bay Mining** and Smelting has made a lower net profit in the second quarter of C$10.5m (£3.87m), or C$4.05 per share, compared with C$13.7m in the same period of 1979, reports John Soganich from Toronto.

However, Hudbay's profit from all sources including C$19.5m on the sale of the investment in Rosario Resources—for the first half of this year has increased to C$52.1m from C$16.4m a year ago.

The Canadian metals division met its production targets and accounted for slightly more than 50 per cent of the total net profit in the second quarter. The company's lower overall earnings for the second quarter reflect the loss at the U.S. Inspiration Consolidated Copper. And lower prices for copper, zinc and silver, a downtrend that began in March.

The Terra Chemicals interest had record second-quarter sales. Its earnings more than doubled in the six months. In petroleum operations, increased output and higher crude oil prices at Trend's Indonesian interests more than offset the decline in Canadian natural gas sales which reflected a slowdown in market growth, particularly export sales.

SHELL CANADA COAL CONTRACT

The Crows Nest Resources subsidiary of Shell Canada announces a long-term contract to sell metallurgical coal to a consortium of Japanese steel mills from its Line Creek mine in south-east British Columbia. The price and other terms have not been disclosed as yet.

The deal involves 1m tonnes per year for 15 years, with deliveries starting in April, 1983. This contract complements earlier thermal coal contracts calling for the sale of 750,000 tonnes per year to Korea Electric, with deliveries starting in 1982.

HANNA MINING'S PROFIT WARNING

Mr. Robert F. Anderson, president and chief executive of America's Hanna Mining, said that while Hanna had record profits in the second quarter the effect of the current recession on domestic steel production will result in total 1980 earnings well below those of 1979.

In 1979 Hanna earned $54.6m (£23.3m) or $6.14 a share, including a $6m gain representing the equity interest from the sale of **Noranda Mines**.

A company spokesman added that a temporary shutdown of iron ore production did not begin until late in June.

Benguet's earnings move ahead

THE LEADING gold producer in the Philippines, **Benguet Consolidated** reports strong earnings for the second quarter. They amount to US$8.9m (£3.8m), or 29 cents per share, compared with only $1.6m in the same period of last year.

The latest figures bring the total for the first half to $20m, or 66 cents per share, against $4.7m in the 1979 first half.

Mr. Jaime Oogpin, president of Benguet, attributed the latest good figures mainly to the rise in gold prices. He added that he was confident that the company would surpass its profit targets for this year, barring any major fall in the prices received for the company's gold and copper production.

Last year Benguet managed only a slight increase in earnings despite the advance in gold prices. Ironically, the company suffered a trading loss on gold trading operations while there was a decline of 30 per cent in earnings at the engineering equipment subsidiary which encountered labour problems in regard to its Middle East contracts.

APPOINTMENTS

Changes at Boots

Dr. P. T. Main will become vice-chairman of THE BOOTS COMPANY on October 1, following the retirement of Mr. A. D. Spencer, who remains a non-executive director. Mr. R. N. Gunn succeeds Dr. Main as managing director industrial division.

*

Mr. Thomas Bennie, director and deputy chief executive, the British Linen Bank, has been appointed divisional general manager, international division, BANK OF SCOTLAND, from September 16. Mr. A. T. Gibson, an assistant general manager, international division (London), has been appointed a divisional general manager from September 16. Mr. J. A. P. Cameron, an assistant general manager, international division (Edinburgh), will succeed Mr. Gibson in London on September 16.

*

Mr. J. B. Mathews has been appointed a director of JAMES WILKES.

*

LOMBARD NORTH CENTRAL is making Mr. Kenneth T. Warriner regional director, Midlands region, on September 1.

*

Mr. Donald S. Perkins, director and chairman of the executive committee of Jewel Companies, Inc., has been elected a director of FREEPORT MINERALS COMPANY.

*

Consolidated Gold Fields Australia and Dalgety Australia have appointed Mr. Mervyn Davies as general manager of GLENDELL COAL.

Norton & Wright little changed

PRE-TAX profits of Norton and Wright Group were little changed for the year to March 31, 1980, at £1.25m against £1.29m previously. Turnover of the group, which is involved in the production and distribution of lottery tickets and fund-raising cards and schemes, improved from £5.79m to £7.45m.

At midway, reporting profits of £644,186 (£740,352), the directors were confident current trading opportunities would at least maintain profit levels for the rest of the year.

They now say the start of the current year coincided with the printing dispute, and the subsequent increase in wages and overheads have put margins under severe pressure. Measures are being taken to reduce the effect of these higher costs.

Despite the strong pound, exports are rising and a three-year contract worth a potential £750,000 has recently been signed to supply an overseas state lottery.

The net total dividend is stepped up from 2.9801p to 4.4701p, with a final of 3.1893p. However, stated earnings per 10p share are lower at 9.94p (12.51p), after tax of £701,827 (£599,222).

Over £250,000 for NMC Investments

Taxable profits of NMC Investments, finance concern, improved from £192,500 to £253,051 in the year ended March 31, 1980, on increased turnover of £2.18m, against £1.57m.

Mid-term profits were up from £102,058 to £123,400.

Dividend for the year is raised to 1.57p (1.43p) net. Stated earnings per 12½p share are given as 2.74p (2.43p).

Tax took £111,727 (£74,860) and minorities absorbed £23,544 (£13,330).

The company is to buy 9,600 shares of the Propp Corrugated Case subsidiary from Mr. D. O'Brien for not more than £97,483 cash. As Mr. O'Brien is a director of Propp, the transaction is subject to shareholders' approval at the annual meeting.

The purchase will raise NMC's interest in Propp to 90 per cent (68.4 per cent).

Glasgow Stockholders

Gross revenue of Glasgow Stockholders Trust improved from £439,008 to £589,477 in the first six months of 1980 and pre-tax revenue was higher at £409,917 compared with £331,450 in the same period last year.

Gross revenue comprised £359,206 (£269,673) franked and £230,271 (£169,335) unfranked. Tax charge is £134,443 (£121,524) leaving net revenue at £275,474 against £209,926.

Net assets available for ordinary stockholders amounted to £19.23m compared with £15.67m and net asset value per 25p ordinary stock unit is 173p (141p).

Adams & Gibbon first half profit cut

Pre-tax profits of Adams & Gibbon, motor dealer and garage proprietor, slumped from £349,000 to £121,000 in the half year ended May 31, reflecting the extreme difficulties in the vehicle sales department due to high interest rates.

The commercial vehicle sales division is also in the grip of the recession. Prospects for the group during the rest of 1980 are not encouraging, the directors add.

The interim dividend is being cut from 1.75p to 1.25p—last year's total was 5.75p from record profits of £782,000.

First-half turnover was maintained at £12.89m against £12.57m. Profit is after interest of £344,000 (£256,000) but before tax of £36,000 against £105,000.

R. F. JONES (SEDGLEY)

A compulsory winding up order made on July 28 against R. F. Jones (Sedgley) has been rescinded by Mr. Justice McNeill in the High Court. By consent, the petition was dismissed.

LONDON TRADED OPTIONS

Option	Ex'rcise price	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	Equity close
BP	300	66	—	86	e	—	—	356p
BP	330	46	7	86	—	76	—	"
BP	360	27	e	48	1	56	2	"
BP	390	13	20	ae	15	—	—	"
BP	420	4½	2	—	—	—	—	"
Com. Union	140	12	8	17	—	21	—	140p
Com. Union	160	5	12	e	—	12	—	"
Cons. Gold	500	48	—	68	1	85	—	e18p
Cons. Gold	600	13	10	93	—	—	—	"
Courtaulds	70	4	4	8	—	10½	—	66p
GEC	420	80	5	100	—	—	—	479p
Grand Met.	140	18	5	26	—	30	—	154p
Grand Met.	160	6	18	14	—	17½	—	"
ICI	390	e	5	82	11	30	11	364p
Land Secs.	363	28	10	46	—	—	—	352p
Land Secs.	390	11	5	27	—	42	—	"
Marks & Sp.	100	8	7e	15	2	17½	—	101p
Shell	390	37	5	52	—	—	—	411p
Shell	420	21	22	36	—	48	—	"
Totals			218		56		13	
		August		November		February		
Imperial Gp.	80	2	3	8½	—	9½	—	80p
Lonrho	74	22	26	27	—	30	—	99p
Lonrho	84	12	40	18	53	81	4	"
Lonrho	94	6½	26	12	12	17	3	"
Lonrho	104	2½	70	8	104	12	2	"
Lonrho	114	1	—	4½	80	9	—	"
P. & O.	110	12½	—	18	10	19½	—	121p
P. & O.	120	4	7	11	—	13	—	"
RTZ	360	120	a	132	—	147	2	476p
RTZ	420	50	10	82	—	100	—	"
RTZ	460	22	11	48	10	65	—	"
RTZ	500	5	—	27	3	45	—	"
Totals			194		272		11	

Royal Ins. new premium business 10% lower

REDUCED new life and pensions business is reported by **Royal Insurance** in respect of its worldwide business. New annual premiums fell 10 per cent from £12.9m to £11.6m, and single premiums by 7 per cent from £11.1m to £10.4m.

Life and pensions business in the UK was also significantly lower over the period with new annual premiums dropping 9 per cent from £11.4m to £10.4m and single premiums by 6 per cent from £10.8m to £10.1m.

Royal attributes this decline to lower business in two major areas. Because of the economic climate in the UK, there is a lower level of activity in group pensions business, and as a result of the reduction in the number of building society mortgages, there is reduced sales of mortgage-related business.

Sales of executive and self-employed pensions contracts remain buoyant and show an increase on the first half of last year.

WORLD STOCK MARKETS

Early 9.8 advance on Wall St.

FURTHER strong gains were recorded on Wall Street yesterday, with Drug issues joining Blue Chips in the carryover of Thursday's late rally.

By 1 pm the Dow Jones Industrial Average moved ahead a further 9.81 to 960.75—up 29.27 on the week and at its highest point since March, 1977. The NYSE All Common Index, at $71.25, rose 65 cents on the day and $1.81 on the week.

Advancing issues had a commanding lead over declines of more than two-to-one in heavy volume of 52.47m compared with 43.18m at 1 pm Thursday.

One analyst said "We are seeing more of the cash-rich Institutions coming in to purchase stocks at the Dow goes up through the 950 level, with funds looking for name stock havens especially helping quality issues."

He also suggests the market's recent lateral movement brought short selling by traders looking for the anticipated correction and those sellers now have been "caught in the rise."

In the strong Drug group, Eli Lilly was up $1½ to $57, Johnson and Johnson $1¾ to $85¾, Smithkline $2¾ to $64⅝, and Merck $1½ to $78¾. Squibb, a multi-point loser over the past week, however, shed another $½ to $28¾.

Blue Chip gainers included General Electric, up $1 to $56¾, although most of the list had only small gains.

Mobil put on $½ to $73½—the stock was delayed for dissemination of the company's report that the latest Hibernia drilling shows favourable results although there have been five non-producing intervals.

Eastman Kodak firmed $1 to $66¼ on an increased dividend.

Gold Mining shares tended lower. Campbell Red Lake were off $1¾ to $54¾ and Dome Mines declined $2 to $113.

Merrill Lynch improved $1 to $30½ in active trading. E. F. Hutton rose $¾ to $40½.

Several Oils issues showed small gains. Superior Oil put on $2¾ to $166.

In the Computer group, Digital Equipment advanced $1½ to $82⅞ and IBM were up a fraction.

General Motors added $¾ at $54½.

Closing prices for North America were not available for this edition.

Canada

Canadian Stock Markets made further headway around noon yesterday, when the Toronto Composite Index rose another 22.71 to 2,227.81—a new 1980 peak.

The Oil and Gas Index advanced 77.96 to 4,910.51, Metals and Minerals 33.71 to 2,171.20, Utilities 2.61 to 261.19, Banks 1.80 to 386.73 and Papers 1.60 to 197.28. Only Golds, off 71.78 to 4,954.13, moved against the general trend.

Tokyo

Sharply higher in fairly active trading on "cheap" buying in Blue Chips and "Big Capitals."

Electricals led the gains, including Sony, Victor Japan and TDK Electric, and also "Big Capitals," such as Hitachi and Ishikawajima Harima Heavy Industries.

Heavy Machinery firms and Shipbuilders were bought apparently by Foreign Investors. Trading Houses, Collieries, Marine Products, Chemicals and Pharmaceuticals were also higher.

Germany

Equities and Bonds both rallied in firm markets.

Special features saw Schering add DM 7 at 218.

BMW's early strength, up DM 6.5 to 154, spilled over the other Motor shares with VW up DM 3 to 168.5.

Banks further improved with Deutsche rising DM 1 to 2,985 to lead the sector, while Chemicals were firmer after starting the day mixed.

Options trading was also lively with both prices and volume rising. Interest was concentrated on Calls for Bayer, Siemens, Philips, Deutsche Bank, Thyssen and Hoesch.

Public Authority Bonds traded broadly firmer, with gains of up to DM 0.60. The Series Seven Federal Savings Bonds with their 8 per cent coupon were quoted at DM 101.05.

The Bundesbank sold DM 33.7m of stock into the rally. Mark Eurobonds continued firm.

Paris

Share prices firmed in moderately active trading. The firm tone on Wall Street and the reduction in French day to day money rates to 11¼ per cent from 11⅜ per cent over the last two days encouraged demand.

All sectors strengthened without exception, with Banks and Insurances, Foods and Constructions most in demand.

Air Liquide rose Frs 5 to 464 on higher first half turnover.

Among Foreign shares, U.S. stocks were sharply firmer, while Germans, Dutch, Oils and Gold Mines also strengthened.

Australia

Overseas and local support pushed stock prices higher, led by Sugar and Cooper Basin Gas stocks.

Cooper Basin partners Santos and Vamgas led the advance. Santos, after opening at $A12.30, sold as high as $A14.30 before closing at $A14.20, a rise of $A1.70. Vamgas rose 80 cents to $A7, giving the stock a $A1.20 gain over the past two days.

Uranium stocks Pancontinental and Queensland Mines each added 20 cents at $A7.10 and $A8.70 respectively while, among Coals, Utah gained 12 cents to $A5.12 despite indications the *Queensland coal strike is likely* to continue.

Esperance advanced 40 cents to $A4.80, Greenvale 20 cents to Pan D'or 22 cents to $A1.62, Reef 15 cents to $A1.40, North Flinders 10 cents to $A2 and East Coast 8 cents to 88 cents.

Another improvement in Sugar prices overnight pushed CSR 8 cents up to $A7.56, while Pioneer firmed 10 cents to $A3.60 and Bundaberg added 5 cents at $A3.65.

Howard Smith, with both Coal and Sugar interests, improved 40 cents to $A9.10, while Metal Mines were generally higher despite a lack of movement on World Gold and Base Metal Markets.

Amsterdam

Shares were broadly higher in moderate trading. Brokers said Mid-East investor interest gave a strong underpinning to stocks in the Banking and Insurance sectors. Local Publishing stocks were also firm.

Next week half-year results are expected from Unilever, Philips Algemene Bank Nederland and Amsterdam-Rotterdam Bank.

Prices in the Bond sector were 30 to 40 cents better.

Turnover on the European Options Exchange rose to 3,126 (1,483) contracts, comprising 2,546 Calls and 580 Puts. Royal Dutch the most active with 1,203 contracts, followed by Philips with 980 and Schlumberger with 339.

Switzerland

A run on Swiss Energy shares pushed the markets higher, a surprising performance for a Friday which traditionally features position-squaring before the week-end.

Were it not for position-squaring, markets could have established a broader uptrend, dealers said. Trading gained momentum in the Energy sector, and was also rather brisk in Insurances, but elsewhere markets displayed moderate-to-calm activity, although prices closed generally higher.

The uptrend was selective, with Motor Colombus leading the way, advancing SwFr 40 to SwFr 765 on the largest volume. This holding company, listed among the Financials, has a 50 per cent stake in Atel.

NEW YORK

Indices

CANADA

BELGIUM (continued)

HOLLAND

AUSTRALIA

JAPAN (continued)

DENMARK

FRANCE

ITALY

NORWAY

HONG KONG

SWEDEN

GERMANY

AUSTRIA

BELGIUM/LUXEMBOURG

SWITZERLAND

JAPAN

SINGAPORE

SOUTH AFRICA

BRAZIL

Financial Rand US$0.83¼ (Discount of 36¼%)

Spanish prices Page 18

NEW YORK ACTIVE STOCKS

INTERNATIONAL COMPANIES and FINANCE

Sapporo Breweries undeterred by setback

By Yoko Shibata in Tokyo

SAPPORO BREWERIES, Japan's second largest brewery, expects its earnings for the present year to run ahead of the 1978 boom year, despite a setback in net profits in its interim term ended June 30.

Sapporo's interim operating profits rose 2.7 per cent to Y2.4bn. Interim net profits were cut by 15.1 per cent to Y1.1bn on interim sales of Y131bn ($580m) up by 13.2 per cent from a year ago. Per share profits were Y3.92, compared with Y5.03 a year before. The introduction of miniature beer barrels (three litres) pushed up the volume of shipments by 8 per cent, despite a mark-up of beer prices.

The narrow margin of operating profits was blamed on a rise in the interest burden after the heavy capital investment in Sapporo's Shizuoka works which started to operate at the beginning of the period.

Cost increases on imported barley and fuel following the yen's depreciation and in particular the price increase of domestic barley and wheat substantially eroded profit margins. The setback in net profits also reflects bookkeeping changes.

The company achieved the sales volume growth target of 8 per cent in the first half. It has conservatively set the target for the second half at the same level as the previous year. Because of extraordinarily cool weather in July and August, this conservative sales forecast for the current half is likely to be on target, according to the company.

Because of the effect of price rises, the company expects earnings for the full year ending December to beat the past peak of Y7bn in operating profits and Y3.5bn in net profits and sales to reach Y282bn.

Burmeister and Wain in bankruptcy move

BY HILARY BARNES IN COPENHAGEN

THE BOARD of B & W A/S, the parent company of the Burmeister and Wain industrial group, yesterday decided to suspend payments to creditors following an application to the bankruptcy court for liquidation proceedings against the company.

The board said the payments suspension would be used to make arrangements with creditors. The bankruptcy proceedings have been started by a creditor owed DKr 480,000 (US$87,300).

The creditors application has been made just three weeks after three Danish insurance companies took over the voting rights to the majority shareholding in B & W from Mr. Jan Bonde Nielsen, the former managing director who was forced to relinquish his connection with the group, after failing to make a repayment on a loan insured by the three companies.

B&W, once one of Denmark's foremost industrial companies, began to show signs of distress last autumn when the marine diesel engineering interests were sold off to MAN of West Germany. Several other companies have been disposed of in an effort to keep the Copenhagen shipyard open.

The company's problems were seriously complicated by the Government's lack of confidence in Mr. Bonde Neilsen, who is facing an investigative charge of fraud. The public prosecutor is expected to decide within the next few weeks whether to indict Mr. Bonde Neilsen.

One reason for the suspension of creditor payments by B & W is the conditions insisted on by Mr. Erling Jensen, the Industry Minister, before he would give a Government export credit guarantee to B & W's Copenhagen shipyard. He insisted that a new subsidiary company be set up with a strong equity base. This has drained the parent company of liquid assets.

A sharp confrontation has already taken place between the insurance companies and minister who claims that the insurance companies guaranteed the future of the parent company when the credit guarantee was awarded last month.

For their part the insurance companies claim they said that they would do nothing which could provoke a payment suspension in the parent company.

While B & W A/S lacks liquid resources it is believed to have substantial assets. It is understood that only 15 creditors have claims of DKr 1m or more against the company and the biggest claim is under DKr 4m.

Assets in the company are thought to be in the region of DKr 200m, but owing to a series of asset sales this year, and losses on the shipyard for the first half year no exact picture of the company's finances is available.

Ensidesa joins coal venture

BY JANE MONAHAN IN MADRID

SPAIN'S LARGEST Government-owned steelworks, Ensidesa (Empresa Nacional Siderurgica) has decided to participate in a coal-exploiting consortium in Oaky Creek, Queensland, north-east Australia.

Ensidesa will have a 5 per cent participation in the consortium, at a cost of $4.5m. In return the Spanish company will receive 500,000 tons of coking coal a year from 1982 for 15 years. Ensidesa estimates that the real extraction cost of the Australian mine is $78 per tonne. Total estimated reserves at the mine are 250m tonnes.

The decision to join the consortium fits in with Ensidesa extending its coal supplies sources.

However, the decision came after Ensidesa had turned down offers of participation in the U.S., Canada and Colombia.

The Australian offer was considered by far the best because of the existence of a well-established railway system from the mine in Oaky Creek to the port of Haypoint which can accommodate ships with a capacity for 160,000 tons of coal.

Apart from Ensidesa the companies participating in the Australian consortium include Mount Isa Mines (Australian) with a 40 per cent stake; Houston Oil and Minerals Australia 38 per cent; Hoogovens Delfstofen, the Dutch steel company, 9.5 per cent; and Italsider, the Italian steelworks, 7.5 per cent.

Downturn at Algoma Steel

BY ROBERT GIBBENS IN MONTREAL

LOWER DEMAND from the automotive industry and other manufacturers of consumer durables was felt in the second quarter by the Canadian steel industry while most other market segments held up firmly.

Algoma Steel, the third largest steelmaker and controlled by the Canadian Pacific group says there was a "significant weakening" in hot and cold rolled sheet markets resulting in lower shipments in the second quarter compared with the first. But rails, wide-flange beams, plate and seamless tube required full-out operations.

The durables market is not likely to improve in the second half, but a start on the pre-built Canadian section of the Alaska Highway gas pipeline will boost demand for pipeline steel and support the rest of the market. Algoma plans to decide by year-end on whether to go ahead with a new seamless tube mill.

Algoma's second-quarter earnings were C$27.2m (U.S.$23.5m) or C$2.07 a share, against C$30.1m or C$2.34 a year earlier. First-half earnings were C$51.7m or C$3.92 a share, against C$50.3m or C$3.85, on sales of C$586m against C$526m.

The company warns that third-quarter earnings may be "significantly below" the first and second quarters.

Trading in White Industries to resume

By James Forth in Sydney

THE SYDNEY stock exchange intends on Monday to allow resumption of trading in the shares of White Industries, the mining and industrial conglomerate, which should bring the six-month struggle for its control to a head.

Endeavour Resources, a member of the Alan Bond Group, has 45.6 per cent of White and has made a partial bid of A$25 a share for control. It is opposed by a partial bid of A$20 a share from White Holdings, which is controlled by the White family and supported by Mitsubishi Development of Japan. Holdings has 35.8 per cent of the capital with the family and Mitsubishi interests and claims it is "entitled" under the Companies Act to 51 per cent of the capital. Endeavour is challenging the validity of both these holdings in the courts.

White shares have been suspended since May 13 and the Sydney stock exchange has been seeking undertakings from both bidders that when dealings in White reopen on Monday they will abide by exchange listing requirements.

In effect, this means that both parties will match any takeover offer price to the highest price at which they carried out any market operation.

Cold Storage Malaysia issue oversubscribed

SINGAPORE — Cold Storage Holdings said that its offer to sell 35 per cent of the issued capital of its wholly-owned Malaysian subsidiary, Cold Storage (Malaysia) BHD, to Malaysians was heavily oversubscribed.

The company said that applications for the 8.75m 1 ringgit nominal shares offered for sale at 1.60 ringgit (1 ringgit equals $0.46) per share totalled 68.40m shares.

Cold Storage said that an allotment basis has been agreed upon under which 68.4 per cent of the shares will be allotted to investors who applied for 1,000 shares each. The balance will be allotted to larger investors in various amounts up to a maximum of 5,000 shares each.

Reuter

Chairman resigns from ailing U.S. store group

BY PAUL BETTS IN NEW YORK

DISAGREEMENT OVER financial rescue proposals for the troubled Korvettes department store chain has led to a top management shake-up in the company which was taken over by the French Agache-Willot retail group last year.

In a surprise move, Mr. Joseph Ris abruptly resigned barely three months after his appointment as chairman of the U.S. retail chain because his financial plans for the ailing company have been dropped by the French parent.

Korvettes yesterday said that Agache-Willot, which bought the U.S. chain 16 months ago for $51m, was not willing to go ahead with Mr. Ris's plan to convert most of Korvettes' debt to lenders into preferred stock.

The U.S. chain said that M. Jean-Pierre Willot, head of Agache-Willot, would arive in New York on Wednesday to draw up alternative financial proposals.

At this stage there are no indications about those new proposals. But the resignation of Mr. Ris raises a number of questions about Korvettes' recent recovery strategy.

This has already led to sizeable cuts in operations, including the closure of more than 15 of the company's stores and the sale of the leasehold of Korvettes' New York Fifth Avenue store.

Moreover, three leading New York banks and an insurance company agreed last month to split between them 25 per cent of Korvettes profits through 1987 in exchange for writing-off 55 per cent of the retail chain's outstanding debt of $57.2m.

Mr. Ris is the third chief executive of the U.S. company to resign since the French group took it over. Mr. Ris had previously been a vice-president of Chrysler Motors International in Paris.

George Weston under pressure

BY TERRY BYLAND

TRADING PERFORMANCE has turned down in the second quarter at George Weston, the Canadian biscuits and food chain, wiping out the earnings gain of the first quarter. At the half way stage, total net profit is C$31.1m (US$37.3m) or C$2.19 a share, against C$33.4m or C$2.60 a year ago. Sales have slipped from C$2.6bn to C$2.3bn despite a slight increase in the second quarter total to C$1.5bn. Second quarter earnings were C$17.1m or C$1.22 a share against C$17.6m or C$1.37.

At the end of the first quarter, Mr. W. C. Weston, the chairman, told the annual meeting that it would be "increasingly difficult" to stay ahead of the earnings levels of last year.

Last year brought record results at Weston. Sales of C$5.87bn produced total net earnings of C$65.9m or C$5.06.

A major boost came from the forest products division, which produces fine and specialty papers as well as pulp and lumber. However, the slump in U.S. housebuilding starts during the first half of this year is likely to have hurt lumber earnings this time.

The fisheries division, another major part of the group's trading operations, has been experiencing difficult times with heavy increases in costs particularly of raw materials.

The group benefited in the opening quarter of this year from the strength of its U.S. food distribution division with the retailing and wholesaling subsidiaries turning in a strong performance.

Mr. Weston has warned shareholders this year that dividend payouts will "remain conservative" for the immediate future.

The company was the loser in last year's bidding competition for Hudsons Bay, another major Canadian retailer, which went to the Thomson family, but has said that it is seeking other compatible acquisitions.

Dispute over video patents

By Our Financial Staff

MATTEL, the U.S. toy and skateboard manufacturer, said it has not been notified by Magnavox of the institution of patent litigation and has not seen the complaint apparently filed by Magnavox.

Magnavox Consumer Electronics, a subsidiary of North American Philips, has announced that it has instituted litigation against Mattel alleging infringement of certain patent rights in the manufacture and sale of video games. Mattel said the lawsuit is an apparent response to its position in its negotiations concerning a proposal by Magnavox to license Mattel under certain patents.

Irish builder raises dividend

BY OUR FINANCIAL STAFF

INCREASED PROFITS and a higher dividend are announced by Abbey, the Irish housebuilder and property development group.

Sales for the year ended April rose to Irish £52m ($24.5m) from Irish £38.9m and at the pre-tax level profits are 22 per cent ahead at Irish £4.8m. Total dividend is an eighth higher at 3.94p per share.

The tax charge for the year has moved closer to more normal levels—rising from 6½ per cent to 22 per cent—and as a result profits at net level are little changed at Irish £3.73m, against Irish £3.66m.

With the exception of manufacturing, where profits dipped, all divisions made headway. Once again the building operations accounted for the bulk of earnings, lifting their contribution to Irish £2.6m from Irish £2.1m.

At the end of April assets per share are stated at 75p compared to 62p.

BRITISH COMMODITY MARKETS

Recovery in sugar prices continues

BY OUR COMMODITIES STAFF

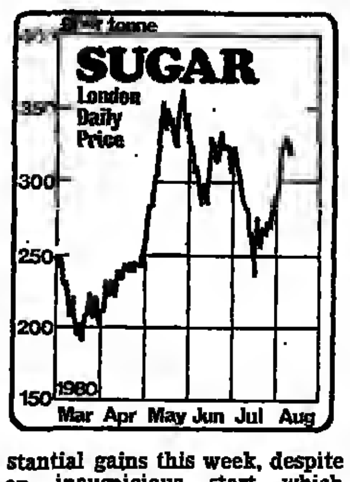
ALL THE signs pointed upwards this week on the world sugar market, and prices responded with the January position on the London futures market gaining £28.475 on the week to £357.5 a tonne — the highest level for more than a month. The London daily sugar price ended £33 higher at £320 a tonne in spite of falling £8 yesterday.

Fears about the effect of Hurricane Allen on Caribbean sugar production provided a "bullish" background feature for much of the week. In the event no damage was done to the crop in Cuba—the world's third largest producer — but some production was lost in Jamaica, though this was not significant in world terms.

Concern over the condition of the European beet crop was justified early in the week by disappointing results from the West German beet test and this was backed up later by similarly poor tests in Sweden and France. In Britain, however, the crop was reported to be progressing well.

Other upward influences on sugar prices were reports of Eastern European and Venezuelan buying and rumours that Thailand might have to import sugar to meet domestic requirements.

Speculators were active on the buying side of the market this week, dealers said.



Coffee prices also made substantial gains this week, despite an inauspicious start which saw values reach new 4-year lows. The early fall was attributed to receding frost fears in Brazil following last week's scare. But the market soon became "oversold," dealers said and speculative buyers returned in force. Support buying by the "Bogota" producer group was also thought to have been a significant market factor in the rise which lifted the November price to £1,263.5 a tonne, up £51 on the week.

The Central American producers who run the Bogota Group are hoping to increase their influence on the market, possibly by boosting the size of their $500m support fund. A meeting took place this week between Costa Rican and Mexican coffee officials at which this subject was believed to have been discussed. Coffee price support was also thought to have been high on the agenda at a meeting between the Venezuelan and Mexican Presidents last weekend.

This week was a very quiet one for the cocoa market. In London prices moved in a narrow range and the December futures position ended the week a mere £8 lower at £1,016.5 a tonne. What activity there was tended to be on the downside and was encouraged by talk of Ghanaian and Ivory Coast selling.

The International Cocoa Organisation indicated this week that the 1979/80 crop surplus would be higher than the 41,000 tonnes it forecast in March, but it gave no new figure. Dealers were unimpressed, however, as Gill and Dufus, influential London merchants, had already issued a surplus forecast of 154,000 tonnes for the 1979/80 season.

Trading was also very quiet on the London Metal Exchange. Copper values fell quite sharply on Monday when an unexpected rise in LME warehouse stocks was declared for last week. They subsequently recovered somewhat, despite talk of a strike in the U.S. telephone industry—a very important copper user. At last night's close cash copper wirebars were quoted at £905.75 a tonne, down £10.75

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1980 High	1980 Low
METALS					
Aluminium	£810/810	—	£710/50	£810/815	£760/70
Free Markets c.i.f.	$1760/1790	—	$1,545/55	$2180/2200	$1635/55
Antimony					
Free Market 99.6%	‡	—	$2,975/3,050	$3,430	$3200/3300
Copper Cash Wire Bars	£905.75	−10.75	£876.5	£1,372	£836
3 months Do. Do	£924.25	−2.70	£880	£1,378.5	£855.0
Cash Cathodes	£871.5	−12.50	£850	£1,316	£808
3 months Do	£898.5	−10.50	£865.5	£1,343.5	£832
Gold per oz	$636.0	+12	$302.375	$850	$473
Lead cash §	£356.5	+7.75	£573	£579	£309.5
3 months §	£370	+8	£563.2	£4716	£306.75
Nickel	£3,186.43	—	£2,854	£3,477	£3,186.43
Free Market c.i.f. lb	£2.90/3.06	—	$250/270c	516/545	265/295c
Platinum per oz	£182.50	—	£155.5	£195	£182.50
Free Market per oz	£275.00	+1.35	£170.35	£465.6	£250
Quicksilver (76lbs.)	$400/416	—	$280/315	$405/415	$370/380
Silver per oz	662.20p	+13.4	407.30p	2,165.05p	467.80p
3 months per oz	706.800	+14.3	418.20p	2,185.05p	485.5p
Tin cash	£7,270	—	£6,510	£8,560	£7,040
3 months	£7,121	−71.5	£6,552.5	£8,385	£7,118
Tungsten Ind	$143.39	+0.74	$146.12	$144.50	$137.73
Wolfram (22.04 lb)	$149/151	—	$132/143	$148/151	$122.50/134
Zinc cash	£319.3	+6.6	£305.75	£400	£282
3 months	£331.25	+6.5	£316.75	£415.5	£292.25
Producers	$780	—	$780	$825	$780
GRAINS					
Barley					
Home Futures	£94.70	−0.70	£91.10	£101.55	£29.93
Maize					
French No. 3 Yellow (Amer)	£122	—	£108	£122	£116
WHEAT					
No. 1 Red Spring	‡	—	£94.00	‡	‡
Am. Hard Winter	£98.75	−1.25	£95.50	£105	£91.0
Eng. Milling (new crop)	‡	—	‡	‡	‡
SPICES					
Cloves (g)	£3 750x	—	£3,850	£4,175	£3,750
Pepper, white	$2,175w	—	$2,825	$2,825	$2,175
" black	$1,575	−50	$2,000	$2,025	$1,576
OILS					
Coconut (Philippines)	$630	—	$1,045	$925	$870
Groundnut 5%	‡	—	‡	£437	‡
Linseed, Crude	$412	—	£395	$464	£358
Palm Malayan	$545	—	$650	$723	$505
SEEDS					
Copra (Philippines)	$445	—	$696	610	$360
Soyabeans (U.S.)	$322	—	$307.35	$334	$260.5
OTHER COMMODITIES					
Cocoa Shipment	£1,701	—	£1,459	£1,546	£1,071
Cocoa Futures Dec	£1,016.5	+35	£1,413.5	£1,515.5	£980.5
Coffee Futures Nov.	£1,263.5	+88	£1,753	£1,794.5	£1,162.5
Cotton Index	94.10c	+1.40	76.90c	98.40c	83c
Des. Coconut	£700	−15	£720	£740	£700
Jute LJ ABW C grade	£206x	—	£258	£222	£203
Rubber kilo	58.50p	+2	55.25p	90p	55.50p
Sago Pearl	£203	—	£198	£213	£204
Sisal No. 3 L	$840	—	$860	$885	$840
Sugar (Raw)	£320	+33	£100	£322	£164
Tapioca No. 1	£207x	—	£188	£221	£202
Tea (quality) kilo	160p	—	138p	160p	152p
" (plain) kilo	70p	—	63p	73p	65p
Wooltops 64s Warp	256pkilo	—	266p	308p kilo	276p kilo

‡ Unquoted. (a) Madagascar. (s) Aug./Sept. (t) Aug. (y) Sept.—not available.

MARKET REPORTS

BASE METALS

COPPER—Lost ground on the London Metal Exchange in fairly good trading conditions. After opening weaker in the pre-market at £926, forward metal traded up briefly to £927, and then drifted off to £925. The first Ring saw trading at £924, the second at £922, and the close on the midday Kerb was £921, the lowest point of the day. Forward metal rallied a little during the afternoon to a close on the late Kerb of £925.5. Turnover 13,525 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	901-2	−12.7	905.5-6	−5
3 months	922-.5	−11	924-.5	−6.0
Settlem't	902	−12.6	—	.....
Cathodes				
Cash	866-.5	−14.2	870-3	−7
3 months	894-5	−12	897-900	−7
Settlem't	866.5	−14.5	—	.....
U.S. Prod	.....	.....	*100-108	.....

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £903. Three months £924, 25, 24, 24.6, 24, 23.5, 23, 22, 22.5. Cathodes, cash £866. Three months £897. Kerb: Wirebars, three months £923, 22. Afternoon: Wirebars, cash £905.5. Three months £923, 24, 25, 25.5, 25, 24.5, 24, 24.5. Kerb: Wirebars, three months £924.5, 25, 25.5, 25.

TIN—Declined in quiet trading. After opening at £7,180, forward metal quickly fell to £7,140. A widening of the backwardation to the £150 level had been expected, but hedge selling of cash metal was greater than anticipated, and cash metal settled at £7,250 for a backwardation of around £100. In the afternoon, forward metal traded at £7,160 and then £7,150, at which level it closed on the late Kerb. Turnover 1,680 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7270-80	−52.5	7260-80	−50
3 months	7160-70	−22.5	7153-69	−26.5
Settlem't	7280	−50	—	.....
Standard				
Cash	7270-80	−52.5	7260-80	−50
3 months	7160-70	−22.5	7153-69	−26.5
Settlem't	7280	−50	—	.....
Straits. E.	$2164	+4	—	.....
New York	—	.....	—	.....

Morning: Standard, cash £7,300, 7,380, 7,250. Three months £7,160, 40, 60. Kerb: Standard, three months £7,190. Afternoon: Standard, three months £7,160. Kerb: Standard, three months £7,150, 49, 48.

LEAD—Gained ground in good two-way business. After opening weaker at £363, forward metal gained steadily to a closing level of £374 on the late Kerb. Turnover 3,450 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	354.25-.5	−3.87	356-7	+1.0
3 months	366.5-7	−4.5	369.5-70.5	+1.5
Settlem't	354.5	−4	—	.....
U.S. Spot	—	.....	*34-6	.....

Morning: Cash £354, 55, 54, 54.25, 54.5. Three months £366, 66, 66, 66.5, 67. Kerb: Three months £368. Afternoon: Three months £367, 67.5, 68, 69, 70. Kerb: Three months £370, 71, 72, 73.

ZINC—Drifted lower in thin trading conditions. Forward metal opened at £334.5, running up as high as £336 by the end of the morning, but could not sustain this level and declined to a close on the late Kerb of £332.5. Turnover 3,100 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	323-.25	+.625	319-20	−3
3 months	335-.6	.....	331-.2	−4
S'ment	323.25	+.25	—	.....
Primw'ts	—	.....	*33.5	.....

Morning: Cash £323, 23.6. Three months £336, 35.5, 35, 35.5. Afternoon: Three months £335, 33, 31.5, 31. Kerb: Three months £332, 31, 30, 31.5, 32, 32.5, 33.

ALUMINIUM—Lost ground in routine trading. After opening at £748, the high for the day, forward metal declined steadily to £738, closing above the worst on the late Kerb at £740. Turnover 9,350 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
	£	£	£	£
Spot	755-8	−24	756-8	−18
3 months	744-5	−6	758-9	−9.25

Morning: Three months £745. Kerb: Three months £744. Afternoon: Three months £743, 42, 41.5, 41, 38. Kerb: Three months £738, 39, 40.

NICKEL—Advanced in more active conditions. Forward metal opened weaker at £2,815, moving quickly to £2,830 as the cash price steadied at £2,815. The contango continued to narrow in the afternoon, and forward metal closed on the late Kerb at £2,815, where the contango was around £10. Turnover 528 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
Spot	2815-20	+20	2810-5	+15
3 months	2820-30	+8.5	2820-5	−5

Morning: Cash £2,816, 10. Three months £2,820. Afternoon: Cash £2,810. Three months £2,820.

* Cents per pound. ‡ $M per picul. ‡ On previous unofficial close.

SILVER

Silver was fixed 2.05p an ounce higher for spot delivery in the London bullion market yesterday, at £6.8220. U.S. equivalents of the fixing levels were: Spot $16.162, up 1.2c; three-month $16.554, up 2.8c; six-month $16.940, up 0.1c; and 12-month $17.856, up 5.5c. The metal opened and closed at £6.80-£6.86 ($16.15-$16.30).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffici'l	+ or —
Spot	682.20p	+2.05	682p	−4.0
3 months	708.80p	+2.40	708p	−4.75
6 months	765.00p	+2.40	—	.....
12 months	779.00p	+4.10	—	.....

LME—Turnover 94 (246) lots of 10,000 ozs. Morning: Cash untraded. Three months 709, 09.5, 10, 09.5, 09, 08.5, 08.2. Kerb: Three months 708.5, 08.2, 08.5. Afternoon: Cash untraded. Three months 708, 08, 08. Kerb: Three months 708, 08.5.

COCOA

COCOA	Yesterday's Close	+ or —	Business Done
Sep	977-78	−7	981-972
Dec	1016-1017	−6	1022-1014
March	1060-1061	−4	1061-1055
May	1078-1083	−3.5	1079
July	1098-1103	−1	1102-1100
Sept	1121-1125	+1.2	1126-1120
Dec	1136-1146	−1.6	1145

Sales: 1,301 (3,227) lots of 10 tonnes.

COFFEE

Robustas opened sharply lower to follow a late decline in New York futures, reports Drexel Burnham Lambert. Dealer-buying together with profit-taking prompted a steady recovery, and in the afternoon continued book-squaring operations reduced losses in erratic trading conditions.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
Sept	1232-35	−21	1235-1194
Nov	1253-54	−23	1280-32
January	1301-03	−20	1325-1285
March	1299-1304	−10.5	1305-1280
May	1500-1510	−17	1500-1285
July	1510-40	−15	—
Sept	1610-68	+2	—

Sales: 4,211 (5,131) lots of 5 tonnes. ICO Indicator prices for August 7 (U.S. cents per pound). Other Mild Arabicas 142.17 (143.83). Robustas ICA 1976 134.25 (135.25). ICA 1968 134.50 (135.50). Unwashed Arabicas 207.50 (same). Comp. daily ICA 1968 168.70 (169.47).

GRAINS

HGCA — Locational ex-farm spot prices. Feed barley: Eastern 87.40, E. Midlands 85.10, N. East 86.50, Scotland 81.00. Feed wheat: Eastern 97.50, N. East 92.90. Other milling wheat: Eastern 99.30.

Mnth	WHEAT Yesterday close	+ or —	BARLEY Yesterday close	+ or —
Sept.	95.10	....	90.16	−0.16
Nov.	98.75	....	94.70	+0.05
Jan.	102.75	....	98.80	+0.05
Mar.	106.12	....	103.05	−0.05
May	108.65	+0.10	100.65	+0.05
July	115.20	+0.05	—	....

Business done—Wheat: Sept. 95.20-94.90, Nov. 98.90-98.65, Jan. 102.80-102.65, March 106.30-106.10, May 109.75-105.45, July nil. Sales: 120 lots of 100 tonnes. Barley: Sept. 90.35-90.05, Nov. 94.80-94.55, Jan. 98.90-98.65, March 102.20-102.00, May 105.65-105.40. Sales: 215 lots of 100 tonnes.

IMPORTED — Wheat: U.S. Dark Northern Spring, No. 2, 14 per cent, Sept. $100, Oct. $103, transhipment East Coast. U.S. Hard Winter, 13½ per cent, Aug. $98.75, Sept. $99.50, Oct. $100.25, transhipment East Coast. Maize: French Aug. $122, transhipment East Coast. S. African Yellow Aug.-Sept. $80. Barley: English Feed fob Aug. $90, Sept. $92.50, Oct. $96, Nov. $97.50, East Coast. Rest unquoted.

RUBBER

The London physical market opened steadier, with little interest throughout the day at higher levels, closing easier. Lewis and Peat reported an fob September price for No. 1 RSS in Kuala Lumpur of 296.5 (295.75) cents a kilo and SMR 20 at 264.2 (264).

No. 1 R.S.S.	Yest'day Close	Previous Close	Business Done
Sept	59.30-60.00	60.00-60.10	60.40-60.00
Oct	61.10-61.20	61.00-61.10	61.40-61.00
Oct-Dec	62.10-62.20	62.00-62.20	62.50-62.00
Jan-Mar	65.70-65.80	65.70-65.80	66.50-65.50
Apr-Jne	68.70-68.80	68.60-68.80	69.40-68.50
Jly-Sept	71.50-71.60	71.60-71.70	71.70-71.60
Oct-Dec	74.10-74.20	74.20-74.40	75.50
Jan-Mar	76.70-76.80	76.70-76.90	77.50-76.60
Apl-Jne	79.40-79.50	79.40-79.70	79.40-79.00

Sales: 328 (502) at 15 tonnes; 23 (2) at 5 tonnes.

Physical closing prices (buyer) were: Spot 58.90p (58.75p); Sept. 61.75p (62.25p); Oct. 62.25p (62.75p).

SOYABEAN MEAL

The London market opened at unchanged and moved steadily higher on light buying with lack of sellers, reports T. G. Roddick. Prices drifted from highs on long liquidation but closed on a steady note.

	Yest'rday Close	+ or —	Business Done
	£ per tonne		
August	116.50-20.0	+1.80	—
October	117.80-18.0	+0.20	118.80-118.00
December	122.50-22.7	−0.10	123.90-122.50
February	124.40-24.6	−0.55	125.40-124.50
April	125.50-26.0	−0.25	—
June	126.00-28.0	−0.50	—
August	127.00-30.0	−0.50	—

Sales: 48 (37) lots of 100 tonnes.

WOOL FUTURES

SYDNEY GREASY WOOLS—Close (in order: buyer, seller, business, sales). Australian cents per pound. Oct. 456.0, 459.0, 458.5-458.0, 6; Dec. 462.4, 462.4, 462.4-460.0, 42; March 467.5, 469.0, 468.0-467.5, 19; May 469.0, 470.0, 469.0-468.5, 12; July 471.0, 474.0, 472.0-470.0, 6; Oct. 471.0, 474.0, 473.0-472.0, 5; Dec. 472.0, 74, nil, nil. Sales: 101.

LONDON NEW ZEALAND CROSSBREDS—Close (in order buyer, seller, business, sales). New Zealand cents per kilo. Aug. 345, 364, nil, nil; Oct. 360, 362, 360, 1; Dec. 331, 364, nil, nil; Jan. 364, 366, 364, 1; March 366, 369, 366-365, 6; May 367, 370, 367, 10; Aug. 372, 375, 372, 5; Oct. 372, 375, nil, nil; Dec. 372, 376, 372, 3; Jan. 373, 379, nil, nil. Sales: 26.

SUGAR

LONDON DAILY PRICE (raw sugar): £320.00 (£328.00) a tonne cif for July-Aug.-Sept. shipments. White sugar daily price was £325.00 (£333.00).

After a brief dip of some £2.00 just after the opening, prices steadied, encouraged by reports of further flooding in the Ukraine, and buying interest from various East European countries. Trade and commission house buying pushed price levels some £10.00 above overnight levels by the close.

No. 4 Con-tract	Yest'rdays Close	Previous Close	Business Done
	£ per tonne		
Oct	347.00-48.00	344.50-346.0	348.00-38.50
Jan	357.00-58.00	352.00-355.0	350.75
Mch	359.25-58.50	356.75-356.0	361.25-40.05
May	348.50-49.50	347.00-347.5	356.50-38.50
Aug	350.00-51.00	327.00-329.0	331.25-21.00
Oct	320.00-30.00	318.00-317.0	317.00-12.00
Jan	310.00-28.00	305.00-312.0	—

Sales: 5,588 (4,801) lots of 50 tonnes.

No. 2 CONTRACT—Close (in order buyer, seller, business, sales). Aug. buyer unquoted, seller 329.00, 326.00-322.00, 86; Oct. 349.00, 351.80, 352.00-340.50, 493.

Tate and Lyle ex-refinery price for granulated basis white sugar was £342.6 (same) a tonne for home trade and £413.00 (£422.50) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for August 7: Daily price 32.44 (32.97); 15-day average 29.00 (28.55).

POTATOES

LONDON POTATO FUTURES — End of week booksquaring moved values lower in early trade, but with continued support for November, prices steadied later in the day to close, at the highs, reports Coley and Harper. Closing prices: Nov. 41.30, +20 (high 41.30, low 41.00); Feb. 47.90, +20 (47.90, 47.70); April 54.80, unchanged (54.80, 54.50). Total traded 24 (41) lots of 40 tonnes.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 46 tonnes, bringing the total for the week to 87 tonnes, compared with 352 tonnes in the previous week. Limited dealings continued, although actual transactions occurred after six nil returns out of eight trading sessions. Few purchases of S. American varieties were recorded.

★

LONDON GRAIN FUTURES — The market opened unchanged after a quiet start. Wheat commenced trading at 10-20p lower on some hedge-selling pressure; volume was thin at these levels and values improved to close steady, on reasonable buying interest, unchanged to 10p higher. Barley again saw good volume in September and November options. The spot month saw continued pressure, and values eased 20p. Resistance at these levels rallied values to close steady at lunch in active trading. Commercial and shipper selling eased values back in the afternoon session to close 10p lower on September with distant holding values to close 5p higher on the day, reports Acli.

★

The market dropped £10 in early trading on commission house selling, but dealer buying following modest consumer offtake stemmed the decline. On a quiet day values finished £8 lower in the middle of the day's range, reports Gill and Duffus.

AMERICAN MARKETS

NEW YORK, August 8.

LIGHT HOG MARKETINGS carried the entire livestock complex sharply higher to limit up. Precious metals declined moderately with a weaker London gold market and on a lack of fundamental news. Copper sold off with gold on commission house and local liquidation. Sugar rallied sharply on good overseas inquiries. Coffee finished mixed on increasing dealer interest. Reports of pod rot in Brazil helped the cocoa market to trade mixed most of the day. Cotton was trading limit up most of the day as trade became a very heavy buyer. Grains and soyabeans came under heavy commission house selling on the close, with maize and wheat retreating moderately, and soyabeans advancing slightly, reported Heinold.

Copper—Aug. 86.15 (87.25), Sept. 88.65 (87.85), Oct. 97.15, Dec. 98.10, Jan. 98.55, March 99.50, May 100.55, July 101.80, Sept. 102.65, Dec. 104.05, Jan. 104.50, March 105.40, May 106.30. Sales: 3,080.

Potatoes (round whites)—Nov. 88.4 (86.8), March 115.5 (111.2), April 142.3. Sales: 2,920.

¶Silver—Aug. 1592.5 (1628.7), Sept. 1602.0 (1638.0), Oct. 1612.0, Dec. 1650.0, Jan. 1667.0, March 1701.0, May 1734.0, July 1767.5, Sept. 1800.5, Dec. 1850.5, Jan. 1867.0, March 1900.0, May 1933.0. Sales: 2,000. Handy and Harman bullion spot 1611.00.

Sugar—No. 11: Sept. 34.17 (33.03), Oct. 34.82 (33.34), Jan. 35.28, March 35.97, May 34.24, July 33.02, Sept. 31.21, Oct. 30.58, Jan. 29.50. Sales: 14,500.

Tin—775.00-789.00 asked (782.00-789.00).

CHICAGO, August 8.

Chicago Imm Gold—Aug. 625.0 (633.5), Sept. 629.3 (638.0), Oct. 634.8, Dec. 646.8, Jan. 653.3, March 666.5, April 672.8, June 684.8.

Lard—Chicago loose 22.50 (same). New York prime steam unquoted.

Live Cattle—Aug. 74.80 (73.10), Oct. 71.20 (69.70), Dec. 70.77, Jan. 71.80, Feb. 72.07, April 73.00, June 74.10.

Live Hogs—Aug. 49.10 (47.62), Oct. 45.35 (43.87), Dec. 48.05, Feb. 50.80, April 49.25, June 51.95, July 52.80, Aug. 52.05, Oct. 51.45.

‡‡Maize—Sept. 340½-340 (344¼), Dec. 341½-339 (344½), March 346-345, May 346½-345, July 346-345½, Sept. 336.

Pork Bellies—Aug. 50.20 (48.20), Feb. 64.72 (62.73), March 64.80, May 65.40, July 65.45, Aug. 64.50.

Silver—Aug. 1600.0 (1623.5), Sept. 1608.5 (1633.5), Oct. 1621.5, Dec. 1654.5, Feb. 1687.5, April 1720.5, June 1753.5, Aug. 1786.5, Oct. 1818.5, Dec. ——, Feb. 1886.5, April ——, June 1954.5.

¶Soyabean Meal—Aug. 210.5 (210.0), Sept. 213.0-213.5 (212.8), Oct. 218.0-216.5, Dec. 220.0-220.5, Jan. 221.5-222.0, March 223.5-224.0, May 223.5, July 223.5-223.0, Aug. 220.0, Sept. 218.0-218.0.

Soyabean Oil—Aug. 27.30 (27.15), Sept. 27.50-27.45 (27.33), Oct. 27.65-27.67, Dec. 27.85-27.75, Jan. 27.60, March 27.65, May 27.70-27.55, July 27.55-27.50, Aug. 27.40-27.50, Sept. 27.45-27.50.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. || $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq. feet. ‡ Cents per dozen.

INDICES

FINANCIAL TIMES

Aug. 7	Aug. 6	M'nth ago	Year ago
276.04	276.76	278.60	281.60

(Base: July 1, 1952=100)

MOODY'S

Aug. 7	Aug. 6	M'nth ago	Year ago
1256.4	1230.7	1166.8	1060.6

(December 31, 1931=100)

DOW JONES

Dow Jones	Aug. 7	Aug. 6	Month ago	Year ago
Spot	440.59	445.44	409.06	393.12
F'tur's	449.25	454.87	430.22	401.00

(Average 1924-25-26=100)

REUTERS

Aug. 8	Aug. 7	M'nth ago	Year ago
1710.4	1715.0	1657.8	1557.7

(Base: September 18, 1931=100)

City control 'to end dawn raid tactics'

BY ANDREW FISHER

HOSTILE "dawn raids" by predatory companies on the shares of other concerns are likely to be succeeded by more friendly operations now that the City has moved to control such rapid purchases.

This is the view of Mr. Peter Wilmot-Sitwell, a partner at Rowe and Pitman, the London stockbroker who has made its name virtually synonymous with the "dawn raid," having organised about half a dozen this year.

"Restrictions will put the hostile raider off quite considerably," he said yesterday in a comment on the temporary ban imposed by the watchdog Council for the Securities Industry (CSI) while new rules are worked out. "I deplore anything that hinders a free market."

He felt that future operations could well develop along the lines of last year's purchase by Continental Corporation of the U.S. of a fifth of Stenhouse Holdings, the UK insurance broker. This was also organised by Rowe and Pitman.

A CSI working group will draw up rules to govern market raids, with the various options including a tender system and changes in the Takeover Code. There have been "dawn raids" this year.

On Monday, the Department of Trade will follow up its report this week on De Beers Consolidated Mines, controversial purchase of a quarter of the Consolidated Gold Fields shares with a discussion document suggesting various changes in company law.

These will include ways of ensuring more disclosure by foreign and UK companies building up major stakes in British groups through "concert party" purchases via nominee companies. De Beers, based in South Africa, acted through several such names to build up a 14 per cent stake before adding to this in a raiding operation.

The Department also raises the possibility of bringing in new legal powers enabling the recovery of shares purchased secretly in this way, first cancelling them and then crediting the money to the company's reserves.

New scales announced for rent and rate rebates

BY ROBIN PAULEY

RENT and rate rebates will be increased from November if Parliament approves the new scales, Mr. John Stanley, the Housing Minister, announced yesterday.

The changes will mean a man earning £70 a week with a wife and two children to support and paying £11.70 a week in rent and rates will qualify for rebates of £7.35, instead of the present £4.25.

Rebates are paid to about 2.6m people in Britain. They are based on notional figures for each family size, taking into account their basic needs.

The allowance for a dependent child will rise from £7.70 to £9.60. More help will be given to war widows and the widows of men killed in industrial accidents. The first £4 of their weekly pensions will be disregarded in assessing whether they qualify for rebates.

Mr. Stanley will also ask Parliament to approve more support for handicapped people and their dependents, increase the help given to low paid workers and keep the rebates paid to pensioners in line with the increase in their state pensions.

Rate rebates are available to both owner occupiers and tenants. Rent rebates are usually deducted from a council tenant's rent demand. A rent allowance is a cash payment to a private tenant.

Post Office assurances on productivity accepted

AFTER a stinging report from the Monopolies and Mergers Commission earlier this year, the Government has accepted assurances from the Post Office that it will achieve a 15 per cent increase in productivity in the London Postal region over the next three years, which is less than the commission recommended.

A report on a six-month investigation by the Monopolies Commission published in April was highly critical of the efficiency of the London Postal area and noted that productivity declined by between 20 and 25 per cent between 1968 and last year.

It recommended that the Post Office should restore the productivity of the Inner London area to 1968 levels within three years.

Mr. Adam Butler, Minister of State for Industry, said in a written reply in the Commons yesterday that he accepted Post Office assurances on productivity, although the proposed 15 per cent improvement is clearly below that suggested by the Monopolies Commission.

This year the Post Office agreed a productivity deal with the main postal union, the Union of Communications Workers, which gives the employees 70 per cent of the savings made by productivity improvements.

EUROPEAN OPTIONS EXCHANGE

Series		Sept. Vol.	Sept. Last	Dec. Vol.	Dec. Last	March Vol.	March Last	Stock
GM C	$45	20	8⅝	—	—	—	—	$54½
GM C	$60	5	4¼	—	—	20	6⅛	"
Series		**Oct. Vol.**	**Oct. Last**	**Jan. Vol.**	**Jan. Last**	**April Vol.**	**April Last**	**Stock**
ABN C	F.280	2	58	—	—	—	—	F.580.60
ABN C	F.300	26	80	1	188	—	—	"
ABN C	F.320	6	5.50	15	8.50	4	10	"
AKZO C	F.28.50	80	1.60	—	—	—	—	F.25.30
AKZO C	F.25	18	0.60	52	1	50	1.30	"
AKZO C	F25	8	1.80	—	—	—	—	"
AMRO C	F.65	18	4.20	—	—	—	—	"
KODA C	$45	3	21	—	—	—	—	$66⅛
HEIN C	F.60	59	6.20B	2	8	—	—	F.65.10
HEIN C	F.65	6	2.50	—	—	19	3.50B	"
HEIN P	F.70	—	—	2	1.20	—	—	"
HEIN P	F.35	—	—	33	1.30	—	—	"
HEIN C	F.60	—	—	26	3	—	—	"
HEN C	F.60	10	5.50	—	—	—	—	"
HOOG C	F.17.50	—	—	4	1.80B	—	—	F.17
IBM C	$60	2	7	—	—	—	—	$65½
IBM C	$70	9	1⅜	—	—	—	—	"
IBM C	$75	7	⅛	—	—	—	—	"
KLM C	F.60	27	6.40	3	8	—	—	F.66.30
KLM C	F.70	15	1.90	10	3.10B	—	—	"
KLM C	F.80	2	0.50	—	—	—	—	"
KLM P	F.60	—	—	3	3.80	—	—	"
KLM P	F.70	—	—	1	9	—	—	"
NATN C	F.110	20	7.50B	—	—	—	—	F.117.70
NATN C	F.120	5	1.50	86	3.80	—	—	"
NATN P	F.110	—	—	5	5	—	—	"
NATN P	F.120	11	6.80	3	7.50	—	—	"
PETR C	Fr.5500	—	—	11	160	—	—	Fr.4830
PHIL C	F.17.50	66	2.30	25	2.80	20	3.80	F.18.70
PHIL C	F.20	258	0.70	138	1	359	1.30	"
PHIL P	F.17.50	—	—	20	0.40	10	0.60	"
PHIL P	F.20	98	1	60	1.40	86	1.80	"
POLA C	$25	5	4⅛	—	—	—	—	$29½
OLIE C	F.150	60	22.50B	1	22.60	—	—	F.172.40
OLIE C	F.160	20	13.50B	20	14B	—	—	"
OLIE C	F.170	344	5.80	85	7.90	3	8.40	"
OLIE C	F.180	212	1.90	83	3.20	31	8.80	"
OLIE P	F.130	43	0.50B	26	1.20	—	—	"
OLIE P	F.160	130	2.30	—	—	—	—	"
OLIE P	F.170	144	6.30	—	—	—	—	"
UNIL C	F.115	1	7.80	—	—	—	—	F.120.90
UNIL C	F.120	—	—	1	4.80	—	—	"
UNIL C	F.130	—	—	1	1.20	—	—	"
UNIL P	F.115	4	0.80	—	—	—	—	"
		Aug. Vol.	**Aug. Last**	**Nov. Vol.**	**Nov. Last**	**Feb. Vol.**	**Feb. Last**	
BDEI C	$35	—	—	2	4½	—	—	$37⅜
MANN C	DM.130	—	—	—	—	10	8	DM127.70
OCCI C	$85	2	1¾	—	—	—	—	$86½
SIEM C	DM.260.50	—	—	10	11	—	—	DM254.50
SIEM C	DM.300	—	—	—	—	5	4	"
SLUM C	$110	1	22½	—	—	—	—	$132⅛
SLUM C	$120	169	13	169	15½	—	—	"
VW C	DM.170	—	—	10	4	—	—	[illegible]

TOTAL VOLUME IN CONTRACTS 3126

C=Call P=Put

Stock Exchange dealings

Friday, August 8	20,696
Thursday, August 7	19,816
Wednesday, August 6	19,254
Tuesday, August 5	18,125
Monday, August 4	17,819
Friday, August 1	18,614

The list below gives the prices at which bargains were done by members of the Stock Exchange and recorded in last Thursday's Stock Exchange Daily Official List. For those securities not marked in Thursday's List, we show the latest markings recorded during the previous four business days, these are distinguished by the date shown in parentheses.

The number of dealings marked on Thursday in each section follows the name of the section. Unless otherwise denoted, shares are £1 fully paid and stock £100 fully paid.

Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 pm only, but later transactions can be included in the following day's Official List. The figures shown above, on the other hand, are the total number of bargains transacted in all securities up to 3.30 pm. No indication is available as to whether a bargain represents a sale or purchase. Markings are not necessary in order of execution, and only one bargain in any one security at any one price is recorded.

$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—: Bargains at Special Prices. Δ Bargains done with or between non-members. ⊕ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." SA—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong: $J—$Singapore: $US—$United States; $WI—$West Indian.

BRITISH FUNDS (581)

CORPORATIONS (17)

PUBLIC BOARDS (9)

COMMONWLTH. GOVTS. (5)

FOREIGN STOCKS BONDS

STERLING FOREIGN CURRENCY BONDS

BANKS (111)

BREWERIES (85)

COMMERCIAL (1,728)

A—B

A.A.H. (25p) 156. 6pc Prf. 39
A. B. Electronic Prdts Gp. (25p) 178
AO Int. 9pc Ln. 69
AGB Research (10p) 189 7 (6/8)
AI Ind. Pdts. (25p) 16 (5/8)
A.P.Y. Hlds. (00p) 180⊕. 10¼pc Ln. 133 (4/8)
Aaronson Bros. (10p) 55 (6/8)
Abercom Go. (R0.30) 135⊕
Aberdeen Construction Group (25p) 132 (5/8)
Aberthaw Bristol Channel Port. Cement (25p 164 (1/8)

Brook Street Bureau of Mayfair (10p) 60⊕
Brooke Bond Liebig (25p) 50½⊕ 49½ 51. 7¼pcUns.Ln. 58 (5/8)
Brooke Tool Eng. (Hldgs.) (25p) 55
Brotherhood (P.) (50p) 82 3 (5/8)
Brown Jackson (20p) 130 (1/8)
Brown Boveri Kent (Holdings) (25p) 29½ (4/8)
Brown Bros. Corp. (10p) 27½ (5/8)
Brown (John) (25p) 55
Brown (N.) Invs. (20p) 30⊕
Browning-Ferris Inds. [illegible] 6P5p
Brownlee (25p) 77 [illegible]
Brunning Group (25p) 40 (1/8)
Bruntons (Musselburgh) (25p) 94 (5/8)
Bryant Hldgs. (25p) 08¼ (4/8)
Bulgin (A. F.) A (5p) 34½ [illegible] (5/8)
Bullough (20p) 170 (5/8)
Bulmer Lumb (Hldgs.) (20p) 33
Bunzl Pulp Paper (25p) 109 (6/8)
Burgess Products (Hldgs.) (25p) 43 (1/8)
Burnett Hallamshire Hldgs. (25p) 775 2
Burns Anderson (10p) 35 (6/8)
Burroughs Machines 3½pcCnv.Uns.Ln. 94 (1/8). 5½pcCnv.Uns.Ln. [illegible]
Burton Group (50p) 108 (4/8). Warrants to sub. 37 0 (5/8)
Butterfield Harvey (25p) 36½

C—D

C.H. Industls. (10p) 23½ (4/6)
Cadbury Schweppes (25p) 59½⊕ 9 60. 9pc Uns.Ln. 75½ (4/8)
Caffyns (50p) 154⊕
Cakebread Robey A (10p) 36½ (6/8)
Camford Eng. (25p) 36½⊕
Camrex Intl. (20p) 83 1 (4/8)
Canning (W.) (25p) 40 (4/8)
Cantors A (20p) 38 (1/8)
Cape Inds. (25p) 230
Capper-Neill (10p) 81½⊕
Capseals (5p) 41½
Cardo Eng. Group (25p) 58 (4/6)
Carless Capel Leonard (10p) 143⊕ 4. New (10p) 145 (4/8)
Carlton Inds. (25p) 257
Carpets Intl. (50p) 25
Carr (J.) (Doncaster) (25p) 55 (6/8)
Carrington Viyella (25p) 11½⊕ 11. 8pc Pf. 47½ (5/8)
Cartwright (R.) (Hldgs.) (10p) 62 (5/8)
Castle's (Hldgs.) (10p) 35 (6/8)
Causton (Sir J.) Sons (25p) 24 (6/8)
Cavenham 10pcPf. 60⊕ 5⊕ 10½pcLn. [illegible] 74½ (6/8)

Cawdaw Ind. Hldgs. (25p) 15½
Cawoods Holdings (25p) 204 (1/8)
Celtic Haven (5p) 74
Cement-Roadstone Hldgs. (Ir.£0.25) 790
Central Sheerwood (5p) 280 9. 10pcPf. 90 (5/8). 10pcLn. 92
Central Manufacturing, Trading Grp. (10p) 330 2
Centreway (50p) 120 7 8 (6/8)
Chamberlain Phipps (10p) 38 (1/8)
Charrington Ind. Hldgs. 10¾pcLn. 79¼ (5/8)
Chloride Group (25p) 49
Christies Int. (10p) 183 2
Christy Bros. (25p) 36 (4/8)
Chubb (20p) 104⊕ 2 4. 8½pcPf. 44½
Church (25p) 180 (1/8)
Clay (Richard) (25p) 56 (4/8)

Acow Non. V A (25p) 34⊕ 3
Advance Services (10p) 43½ (4/8). 8pcPf. 51
Adwest Group (25p) 174
Aero Needles Group (25p) 24 (5/8)
Aeronautical Genl. Inst. (25p) 380 (1/8)
Airfix Inds. (20p) 13½ 12¼ 13 (6/8)
Airflow Streamlines New (25p) 28 (4/8)
Alan Aluminium apy 12¼⊕
Alcan Aluminium (UK) 72
Alexander Hldgs. (10p) 12¼ (5/8)
Allbone Sons (10p) 18 (1/8)
Alton (W. G.) Sons (25p) 28 30
Allied Colloids Group (10p) 104⊕ 4
Allied Plant Group (10p) 32 (5/8)
Allied Suppliers 0pcLn. 04½⊕
Allied Textile Cos. (25p) 98 (5/8)
Alpine Hldgs. (5p) 56 (5/8)

ELECTRIC LIGHT AND POWER

FINANCIAL TRUSTS AND LAND

GAS (5)

INSURANCE (86)

INVESTMENT TRUSTS (84)

Dualvest (50p) 66¼ (1/8). Cap.Shs. 316 (5/8)
Dundee London (25p) 74 (5/8)
Edinburgh American Assets (25p) 65½ (1/8)
Edinburgh Inv. Tst. (25p) 78 6
Electric Gen. (25p) 94 (6/8)
English and Int. Tst. (25p) 110 (4/8)
English New York (25p) 84½ (4/8)
English Scottish Investors (25p) 94½ (1/8)
Equity Consort Ord. (50p) 180 (4/8)

Union Inter. 6pcPf. 42 (6/8)
Unitech (10p) 305⊕ 8⊕ 13 15½ 16
United Biscuits (Hldgs.) (25p) 82⊕ 3 80
United Carriers (10p) 154
United City Merchants (10p) 21
United Gas Ind. (25p) 66 (5/6). 9pcLn. 77½⊕
United Scientific Hldgs. (25p) 305
Unochrome Ind. (10p) 16½ (5/8)
Utico Hldgs. (R1) 105 (4/8)
Valor (25p) 50. 5½pcPf. 67 (4/8)

SPAIN

August 8	Price %	+ or —
Banco Bilbao	226	
Banco Central	248	
Banco Exterior	210	
Banco Hispano	224	
Banco Ind. Cat.	120	
Banco Madrid	141	
Banco Santander	276	
Banco Urquijo	138	
Banco Vizcaya	236	
Banco Zaragoza	214	+1
Dragados	97	+2
Espanola Zinc	63	
Fecsa	62	
Gal. Preciados	23.5	
Hidrola	67.2	+0.2
Iberduero	61.5	+0.3

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1980 high	1980 low
BP	25p	8	358	+10	412	320
Premier Cons.	5p	8	80	+ 4	99	36
ICL	25p	7	170	+ 2	182	111
Carless Capel	10p	6	148	+ 4	166	68
GEC	25p	6	482	+ 8	494	326
ICI	£1	6	366	+ 2	402	348
Imp. Cont. Gas	£1	6	766	+ 2	906	593
Lasmo	25p	6	694	+19	830	337
Lonhro	25p	6	99	− 1	111	72
Shell Transport	25p	6	410	+ 4	432	314
U.D.T.	25p	6	63	+ 1	69	35
BAT Inds.	25p	5	275	—	290	223
Barclays Bank	£1	5	395	—	430	327
Plessey	50p	5	221	+ 3	223	108
Thorn EMI	25p	5	336	+ 4	348	260

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1980 high	1980 low
ICI	£1	44	366	− 6	402	348
GEC	25p	41	482	+ 2	494	326
Thorn EMI	25p	36	336	− 6	348	260
Plessey	50p	33	221	+ 6	223	108
Shell Transport	25p	33	410	+ 6	432	314
BP	25p	32	358	+10	412	320
Lasmo	25p	31	694	+16	830	337
First Nat. Fin.	10p	30	26	− ½	29	9½
Premier Cons.	5p	30	80	+ 3	99	36
RTZ	25p	30	477	+12	485	327
Unilever	25p	29	470	−24	512	388
Beecham	25p	27	143	− 4	160	108
Lonhro 'New'	Nil/pd	27	14pm	− 8	30½pm	14pm
GKN	£1	26	242	−11	279	228
Euro. Ferries	25p	25	184	+ 2	191	98

PROPERTY (71)

Allied London Properties (10p) 110 (5/8)
Amalgamated Estates (5p) 15¼
Anglo Metropolitan Hldgs. (25p) 76 9 (6/8)
Argyle Securities 12pcDb. 79 (4/8)
Beaumont Properties (25p) 144 (4/8)
Berkeley Hambro Property (25p) 220 (6/8)
Bradford Property Tst. (25p) 188 (4/0)
British Land (25p) 67 0½ 15pcDb. 108 (4/8). 12pcLn. 289

Miscellaneous (46)

AMAX Inc. 22¼ ¼ 8pc Db. £20 (4 8)
Ayer Hitam Tin Dredging Malaysia Berhad (SMa)) 285

Hampton Gold Mining Areas (5p) 425 (5/8)
North Kalgurli Mines (SA0.30) 82 (6 8)
Paringa Mining & Exploration (5p) 57 (5/8)
Western Mining Corp. Hldgs. (SA0.50) 271 4 5 4 5

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange

AUGUST 7

Anglo Utd. Development 105
Argosy Mining 21
Assocd. Manganese £17¼
Bougainville Copper 125 4 7½
Bukit Sembawang 71
Burns Philip 126
Central Pacific Minerals £28¼
Cluff Oil Australia 13½
Delta Corp. 210
Diamond Shamrock £13¼
Disney (Walt) £27
Dougle Eagle 190 85 92 07 90 85
Gem Expln. 29
Greenvale Mines (P. Pd.) 185
Gulf Oil Canada £11⅞
Gulfstream Resources 360
Hill 50 Gold 58
Hong Kong Land 125
Hutchison Whampoa 103½
Jardine Matheson 173
MIM Hldgs. £43 20 5
Nat. Bank of Australasia 137
Nicholas Intnl. 58
North Broken Hill 181
Offshore Oil 17½
Oilmin 14
Otter Expln. 20
Pacific Copper 253 01
Pancontinental 245 50 40
Oobe Oliver 70

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange

AUGUST 4

Air Call 815 17
Applied Computer Techniques 425
Bell 5pcPf. 31
Birmingham City FC 600
Caledonian Offshore 160

AUGUST 6

Aran Energy 412 14 18 10
Berkeley Exploration and Production 173 7
Candecca Resources 180 1 d 4 8
Candecca Resources New 181 8 3 8

AUGUST 1

Aran Energy 430 2 4 6 8
Berkeley Exploration and Production 177 66 2 3
Candecca Resources 179 80 1 8 3 4
Candecca Resources New 179 60 1 2 d 4 5
CCP North Sea Associates 240
Cluff Oil 340 5
Marinex Petroleum New 127 d0 2 d 6
Pict Petroleum 375 80
Sovereign Oil and Gas 257 6 60 1 2
Son Oil Company (UK) Oil Royalty 575 90 80d

(By permission of the Stock Exchange Council)

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual Interest gross interest	payable	Minimum sum	Life of bond
	%		£	Year
Redbridge 01-478 3020	12¾	½-year	200	5-6

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %
Abbey National	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Aid to Thrift	10.85	11.37	—	—
Alliance	10.25	10.50	11.75	12.50 5 yrs., 11.75 3 mths.
Anglia	10.25	10.50	11.75	13.00 6 yrs., 12.50 5 yrs.
Bradford and Bingley	10.25	10.50	11.75	11.25 one month's notice deposit
Bridgwater	10.25	10.50	12.00	12.50 5 yrs., 12.00 4 yrs., 11.60 2½ yrs.
Bristol and West	10.25	10.50	11.75	—
Bristol Economic	10.25	10.50	11.75	10.75 3 months
Britannia	10.25	10.50	11.75	12.50 5 yrs., 11.25 3 months' notice
Burnley	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cardiff	10.50	11.50	12.50	—
Catholic	10.05	10.75	11.65	— Share a/cs 10.95 over £5,000
Chelsea	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.55 6 mths.
Cheltenham and Gloucester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cheltenham and Gloucester	—	11.50	—	— Premium shares including 1.00 bonus p.a. (£15,000 or £20,000)
Citizens Regency	10.25	10.85	12.05	12.85 5 yrs., 12.35 4 yrs., 11.85 3 yrs.
City of London (The)	10.50	10.80	11.80	12.00 Capital City shares—4 mth. not.
Coventry Economic	10.25	10.50	11.75	12.00 4 yr., 11.5 3 yr., 11.25 3 mth. not.
Coventry Provident	10.25	10.50	12.50	12.55 av. 5 yrs., 12 4 yrs., 11.25 3 m.n.
Derbyshire	10.25	10.50	11.75	11.30 3 months' notice
Ealing and Acton	10.25	11.00	—	11.65 2 years, £2,000 minimum
Gateway	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Greenwich	—	10.75	12.00	12.75 5 yrs., 12.25 4 yrs., 11.75 3 yrs.
Guardian	10.25	10.75	—	12.25 6 mth., 11.75 3 mth., min. £1,000
Halifax	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Heart of England	10.25	10.50	11.75	12.50 5 yrs., 11.00 3 mths. notice
Hearts of Oak and Enfield	10.25	10.75	12.25	12.00 4 yrs., 11.75 3 yrs., 11.50 2 yrs.
Hendon	10.50	11.00	—	12.00 6 months, minimum £2,000
Huddersfield and Bradford	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Lambeth	10.25	10.75	12.50	12.50 5 yrs., withdrawals aft. 18 mths.
Leamington Spa	10.35	10.60	14.19	12.55 5 yrs., 12.30 4 yrs., 11.90 3 yrs.
Leeds Permanent	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Leicester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Liverpool	10.25	10.50	11.95	12.50 5 years, minimum £1,000
Melton Mowbray	10.35	10.60	11.75	13.10 6 yrs., 12.10 4 yrs., 11.35 2 yrs.
Mornington	10.75	11.75	—	—
National Counties	10.50	10.80	11.80	11.90 6 mth., 11.35 3 mth., min. £1,000
Nationwide	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
New Cross	11.00	11.25	—	11.25-12.50 on share accs. depending on min. balance over 6 mths.
Northern Rock	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Norwich	10.25	10.50	12.00	11.50 3 yrs., 11.25 2 yrs., min. £500
Paddington	10.00	11.00	12.50	11.75 6 months, 11.50 3 months
Peckham Mutual	10.50	11.00	—	—
Portman	10.25	10.50	11.75	12.50 5 yrs., 11.55 6 months' notice
Property Owners	10.25	11.00	12.25	12.50 av. 4 yr., 12 6 mth., 11.55 3 mth.
Provincial	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Skipton	10.25	10.50	11.75	12.50 5 yrs., 11.6 WDL 1 mth. loss int.
Sussex County	10.50	10.75	12.55	12.55 5 yrs., 12.15 4 yrs., 11.75 3 yrs.
Sussex Mutual	10.50	10.85	12.50	11.25-12.50 all with special options
Town and Country	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Walthamstow	10.25	10.60	11.75	12.60 5 yrs., 11.6 6 mth. not. min. £500
Wessex	10.50	11.20	—	12.20 6 mth. not. WDL min. 3 yrs.
Woolwich	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.

* Rates normally variable in line with changes in ordinary share rates.

All these rates are after basic rate tax liability has been settled on behalf of the investor.

UK MONEY MARKET

The Treasury bill rate rose by 0.2488 at yesterday's tender to 14.9564 per cent, and the minimum accepted bid was £96.27, compared with £96.30 the previous week. Bids at that level were met as to about 74 per cent and above in full. Next week a further £300m will be on offer, replacing a similar number of maturities.

Day-to-day credit was in short supply in the London money market, and the authorities gave moderate assistance by buying a moderate amount of Treasury bills and a small number of local authority bills from the discount houses, and by lending a small amount to one or two houses over the weekend at Minimum Lending Rate.

The shortage was largely the result of the call on 13 per cent Treasury 2000, and the market also had to finance a moderate Treasury bill take-up. These factors outweighed a large excess of Government disbursements over revenue payments to the Exchequer, while banks brought forward surplus balances from Thursday.

Discount houses paid about 15 per cent for secured call loans at the start, and closing balances were found within a range of 14 per cent to 16 per cent.

In the interbank market overnight loans opened at 16½-16¾ per cent, and ranged between 15½-15¾ per cent and 16-16½ per cent, closing firm at 17 per cent.

EXCHANGES AND BULLION

Sterling remained very firm in the foreign exchange market yesterday, with its trade-weighted index, as calculated by the Bank of England, touching the highest point for 5½ years. It rose to 75.5 from 75.3, after opening at 75.7 and falling back to 75.4 at noon. The pound was also at its highest level for nearly four years against the D-mark, closing at DM 4.2350 compared with DM 4.2275, and after touching DM 4.2550.

Storling opened at $2.3755-2.3765 in terms of the dollar, the peak of the day's trading, and fell to $2.3650-2.3660 shortly before noon, as profit taking set in at these high levels. In the afternoon it picked up once again however, helped by demand in New York, touching $2.3740-2.3750, before easing at the close to $2.3715-2.3725.

The dollar began quite firm but lost ground in fairly thin trading, although movements were within narrow ranges, and the U.S. currency still finished slightly up on the day against most other units. It traded within a range of only DM 1.7820 to DM 1.7875 against the D-mark, and closed at DM 1.7840, compared with DM 1.7820 previously. In terms of the Swiss franc the dollar rose to SwFr 1.6490 from SwFr 1.6430, and against the Japanese yen to Y226.25 from Y225.70. On Bank of England figures the dollar's index rose to 84.5 from 84.4.

Gold rose $4 in the London $632-635.

THE POUND SPOT AND FORWARD

Aug. 8	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.3650-2.3765	2.3715-2.3725	1.40-1.30c pm	6.83	3.77-3.67 pm	0.27
Canada	2.7380-2.7495	2.7430-2.7440	1.57-1.47c pm	0.66	4.10-4.00 pm	0.90
Nethlnd.	4.59½-4.63½	4.60½-4.61½	3-2c pm	6.51	8½-7½ pm	6.52
Belgium	67.30-67.80	67.35-67.45	27-17c pm	3.92	70-60 pm	3.86
Denmark	13.05-13.13	13.07-13.08	par-1½ore dis	−5.69	4½-6 dis	−1.59
Ireland	1.1165-1.1245	1.1190-1.1200	6.04-0.08p dis	−0.64	0.05-0.10dis	−0.27
W. Ger.	4.22-4.25½	4.23-4.24	3½-2½pf pm	8.50	8½-7½ pm	7.91
Portugal	116.75-117.75	117.25-117.45	30c pm-20 dis	6.61	85 pm-35 dis	0.85
Spain	169.80-171.55	171.00-171.10	10-60c dis	−2.45	100-175 dis	−3.21
Italy	1,991-2,001	1,992-1,993	13¾-16¾ lire dis	−9.88	47-50 dis	−9.74
Norway	11.52½-11.58½	11.55-11.56	8½-4½ore pm	5.71	17½-15½ pm	5.67
France	9.75-9.82	9.77½-9.78½	5-4c pm	6.52	12½-11½ pm	5.01
Sweden	9.87-9.92	9.89¾-9.90¾	2½-1½ore pm	2.57	6½-5⅞ pm	2.47
Japan	533-540	536½-537½	2.40-2.00y pm	4.92	6.45-6.95 pm	4.62
Austria	29.95-30.10	29.98-30.03	15-12gro pm	5.40	40-34 pm	4.93
Switz.	3.89-3.92½	3.90¾-3.91¾	4-3c pm	10.73	11½-10½ pm	15.86

Belgian rate is for convertible francs. Financial franc 67.75-67.85. Six-month forward dollar 5.85-5.75c pm, 12-month 8.05-7.95c pm.

GOLD

	Aug. 8		Aug. 7	
Gold Bullion (fine ounce)				
Close	$639-630	(£266¼-287¾)	$628-651	(£264¾-286)
Opening	$632-635	(£266¼-267¾)	$634-637	(£267½-268¾)
Morning fixing	$631.20	(£200.463)	$638.50	(£266.911)
Afternoon fixing	$630	(£265.621)	$639.50	(£265.870)
Gold Coins				
Krugerrand	$652-654	(£274½-276½)	$648-650	(£274-276)
Mapleleaf	$646½-649½	(£271¾-273¾)	$643-647	(£271½-273½)
New Sovereigns	$160-161	(£67¼-68¼)	$159¼-160¼	(£67¼-68¼)
King Sovs.	$186½-188	(£78½-79½)	$187-189	(£79-80)
Victoria Sovs.	$186½-188	(£78½-79½)	$187-189	(£79-80)
French 20s	$160-163		$162-164	
50 pesos Mexico	$781-784		$778-783	
100 Cor. Austria	$616-621		$615½-621½	
$20 Eagles	$751-754		$753-757	
$10 Eagles	—		—	
$5 Eagles	—		—	

EXCHANGE CROSS RATES

Aug. 8	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.372	4.235	537.0	9.780	3.913	4.610	1995.	2.744	67.40
U.S. Dollar	0.422	1.	1.785	226.4	4.120	1.649	1.944	840.0	1.157	28.41
Deutschemark	0.236	0.560	1.	126.8	2.309	0.924	1.089	470.5	0.648	15.91
Japanese Yen 1,000	1.862	4.417	7.886	1000.	18.21	7.288	8.585	3710.	5.108	125.0
French Franc 10	1.022	2.426	4.330	549.1	10.	4.001	4.714	2037.	2.806	68.92
Swiss Franc	0.256	0.606	1.082	137.3	2.500	1.	1.178	509.6	0.701	17.23
Dutch Guilder	0.217	0.515	0.918	116.6	2.121	0.848	1.	432.3	0.596	14.62
Italian Lira, 1,000	0.502	1.190	2.125	269.5	4.908	1.964	2.314	1000.	1.377	33.83
Canadian Dollar	0.364	0.860	1.544	195.7	3.565	1.426	1.680	726.3	1.	24.57
Belgian Franc 100	1.484	3.018	6.283	796.7	14.51	5.805	6.840	2956.	4.070	100.

FT LONDON INTERBANK FIXING (11.00 a.m, AUGUST 8)

3 months U.S. dollars		6 months U.S. dollars	
bid 10 5/16	offer 10 5/16	bid 10 9/16	offer 10 11/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris, and Morgan Guaranty Trust.

LONDON MONEY RATES

Aug. 8 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ⊕	Eligible Bank Bills ⊕	Fine Trade Bills ⊕
Overnight	—	15-17	—	—	—	14¾-16	14-16	—	—	—
2 days notice	—	—	16¼	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	16-18½	18⅜-16½	—	16⅛	18½-17	16½-15¾	—	—	—
One month	16⅛-16⅛	16⅛-16⅝	16⅜-16⅝	17¾-18⅛	16¾	16⅞-17	15¾	14⅞	16⅜-16⅛	17
Two months	16⅛-16⅛	16⅛-16⅛	—	17⅛-17⅝	16¾	—	15⅜-16⅛	14⅞	16⅛-16¼	16¾
Three months	16⅛-16⅛	16¼-16⅜	16¼-16⅜	16⅝-16⅞	16⅝	16¾	15⅞	14⅞-15	15⅞-15¾	16⅝
Six months	15½-15¼	15½-16⅝	15¼-16⅜	16⅛-15⅝	16⅞	15-16⅛	—	—	14½-14⅝	16¼
Nine months	14¾-14⅝	14⅞-15⅛	—	14¾-16¼	15⅜	15½-15⅝	—	—	—	—
One Year	14⅛-13½	14¼-14⅞	13¾-14⅜	14⅛-14½	14¾	14½-14⅝	—	—	—	—
Two years	—	—	16⅛-16⅛	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rate nominally three years 13-13⅞ per cent; four years 12⅞-13⅞ per cent; five years 12⅞-13½ per cent. ⊕ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 15¾ per cent; four-month trade bills 16⅝ per cent.

Approximate selling rate for one-month Treasury bills 14²¹⁄₃₂-14²³⁄₃₂ per cent; two-month 14²¹⁄₃₂-14²⁷⁄₃₂ per cent; three-months 14⅝-14¹³⁄₁₆ per cent. Approximate selling rate for one-month bank bills 16⅝-16⅜ per cent; two months 16⅜-16⅝ per cent; three months 15⅝-15⅝ per cent; one-month trade bills 16¾ per cent; two-months 16⅞ per cent; and three-months 16⅞ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 16½ per cent from August 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 14 per cent. Clearing Bank Rates for lending 18 per cent. Treasury Bills: Average tender rates of discount 14.9564 per cent.

CURRENCY MOVEMENTS

Aug. 8	Bank of England Index	Morgan Guaranty Changes%
Sterling	70.5	−30.7
U.S. dollar	84.5	−8.2
Canadian dollar	81.0	−10.6
Austrian schilling	156.6	+24.6
Belgian franc	116.1	+14.1
Danish kroner	107.1	−4.2
Deutsche mark	164.6	+43.7
Swiss franc	167.6	+78.6
Guilder	126.2	+20.1
French franc	101.9	−5.4
Lira	63.6	−51.2
Yen	125.6	+90.6

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England index=100).

EURO-CURRENCY INTEREST RATES (Market Closing Rates)

Aug. 8	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	—	8⅛-8⅝	8½-10½	5½-10⅛	6-6½	6⅛-8¼	11⅛-11⅞	14-18	3⅞-3⅞	11½-12
7 days' notice	18¼-16½	9¼-9⅞	8⅛-10½	9⅛-10⅛	6¼-6⅜	9-9⅛	11⅛-11⅞	16½-24½	8⅛-9⅛	12-12⅛
Month	18½-16¾	10⅛-10⅛	10⅛-10½	9¾-6⅛	5⅞-5⅞	8⅛-8½	11¼-11½	25-27	10⅛-10⅛	12-12¼
Three months	16⅛-16⅜	10⅛-10⅛	10⅜-10¾	9⅛-9⅛	0⅜-5½	8⅜-8½	11¼-11½	25½-27	10-10⅛	11¾-12
Six months	15⅛-15⅛	10½-10¾	10⅜-11	9⅛-9⅛	0¼-6⅜	7⅞-8	11¼-11½	24¾-26¼	10½-10⅝	11¼-11⅛
One Year	14⅞-14⅞	10⅛-10⅛	10¾-11⅛	9⅛-9⅞	5⅛-5¼	7½-7⅛	11½-11¾	22-23½	10⅜-10¾	10-10¼

Long-term Eurodollar two year 11-11¼ per cent; three years 11¼-11½ per cent; four years 11½-11⅞ per cent; five years 12-12⅜ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two-days' notice. Asian rates are closing rates in Singapore.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 9.55-9.65 per cent; three-months 9.65-9.75 per cent; six-months 9.80-9.90 per cent; one year 10.10-10.20 per cent.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU August 8	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.3549	+1.45	+0.36	±1.53
Danish Krone	7.72336	7.82004	+1.25	+0.18	±1.64
German D-Mark	2.48208	2.53200	+2.01	+0.92	±1.125
French Franc	5.84700	5.85104	+0.07	−1.02	±1.3557
Dutch Guilder	2.74362	2.75533	+0.43	−6.66	±1.512
Irish Punt	0.668201	0.670004	+6.27	−0.82	±1.668
Italian Lira	1167.79	1192.46	+2.80	+2.20	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Aug. 8	£	$		£ Note Rates
Argentina Peso	4471-4491	1888-1895	Austria	29.75-30.05
Australia Dollar	2.0605-2.0546	0.8650-0.8005	Belgium	67.45-67.85
Brazil Cruzeiro	180.95-157.90	53.68-53.88	Denmark	12.88-13.08
Finland Markka	8.60-8.86	3.6495-3.6500	France	9.72-9.78
Greek Drachma	101.581-104.057	49.75-42.95	Germany	4.28-4.20
Hong Kong Dollar	11.75½-11.76½	4.9420-4.9520	Italy	1950-2050
Iran Rial	n.a.	n.a.	Japan	536-541
Kuwait Dinar(KD)	0.633-0.636	0.2677-0.2678	Netherlands	4.58½-4.61½
Luxembourg Frc.	67.05-67.45	28.41-28.45	Norway	11.47-11.57
Malaysia Dollar	5.0865-5.1090	2.1545-2.1565	Portugal	113-117
New Zealand Dlr.	2.4240-2.4280	1.0220-1.0250	Spain	165½-171¾
Saudi Arab. Riyal	7.84-7.90	3.3160-3.3185	Sweden	9.85-9.95
Singapore Dollar	5.0460-5.0590	2.1290-2.1310	Switzerland	3.88½-3.91½
Sth. African Rand	1.8040-1.8050	0.7605-0.7610	United States	2.36¼-2.37½
U.A.E. Dirham	8.72-8.78	3.6860-3.6910	Yugoslavia	63½-70

Rate given for Argentina is free rate.

U.K. CONVERTIBLE STOCKS 8/8/80

Statistics provided by dataSTREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.♡	Cheap(+) Dear(−)◊ Current
Bank of Ireland 10pc Cv. 91-96	1.20	150.00	47.6	77-81	6.8	4.5	−11.5	−13 to −7	0.0	9.6	5.6	+17.2
British Land 12pc Cv. 2002	7.71	287.00	333.3	80-97	4.2	1.9	− 2.2	− 6 to 5	18.1	90.7	24.7	+26.9
Hanson Trust 6½pc Cv. 88-93	3.02	95.00	57.1	76-81	7.0	7.4	2.0	− 9 to 2	3.1	3.2	0.1	− 1.9
Slough Estates 10pc Cv. 87-90	5.44	248.00	187.5	78-86	4.0		− 3.5	− 6 to 0	36.5	40.3	1.5	+ 4.9
Slough Estates 8pc Cv. 91-94	24.88	123.00	78.0	80-91	6.5	5.3	15.1	13 to 20	26.7	48.3	20.3	+ 5.2
Ultramar 7pc net R.Cv.Pfd.	1.18	3.47	1.1	76-81	2.9		− 1.8	− 4 to 5	11.6	4.7	− 1.9	− 0.1
Wilkinson Match 10pc Cv. 84-98	11.10	87.00	40.0	76-83	11.6	11.9	20.8	21 to 63	15.2	25.0	13.7	− 7.1

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◊ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness, − is an indication of relative dearness.

LONDON STOCK EXCHANGE

Markets continue to recover from money supply shock
Gilts lead way with fresh rises ranging to a point

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
July 28	Aug. 7	Aug. 8	Aug. 18
Aug. 11	Aug. 28	Aug. 29	Sept. 8
Sept. 1	Sept. 11	Sept. 12	Sept. 22

* "New time" dealings may take place from 8 am two business days earlier.

London stock markets closed the week and the trading Account on a much sounder note than looked probable after Tuesday's annoucement of a huge rise in money stock during July. Government securities continued to dominate market proceedings and regained another point on further domestic institutional support; reports of Far Eastern, and in particular Japanese, buying were not taken too seriously.

The Bank of England's move to ease the tight situation in money markets and so hold down short-term interest rates gave prospective Gilt buyers confidence and all maturities soon extended opening improvements. Longer-dated issues were featured by the £20-paid medium tap stock, Treasury 11¾ per cent 1991 A, which rose to 18¾ before drifting a shade easier following the higher rate on this week's Treasury bill offering; at the end of a dramatic week, the tap closed unaltered on balance at 18¾ after having been as low as 15¾ on Wednesday.

Remaining longs settled with fresh rises of ¾, although isolated gains of a point were evident, and the shorts were equally as impressive. The latter especially welcomed yesterday's greater availability of investment funds and made gains of a point in places prior to ending a maximum of ¾ higher.

Equities again followed the tone in Gilts, but institutional operators showed little keeness and with few smaller buyers around leading shares eased back on sporadic end-Account offerings. After the official close, however, buyers for the Account beginning on Monday became interested and prices perked up to leave the FT Industrial Ordinary share index 2.9 up at the day's best of 481.1; despite having regained Wednesday's fall of 7.8 over the past two sessions, the index still ended 6.8 down on the week. Of the sectors, Shipbuilders were depressed by the Government's decision not to improve nationalisation compensation terms.

Southern Rhodesian bonds, dealings in which were resumed this week following details of debt repayment, continued to mirror disappointment with the terms. The 2½ per cent 1965-70 issue fell 7 points to £100 compared with the suspension price of £153 and other issues also moved lower.

Well over half the business in the Traded Option market was transacted in Lonrho which contributed 419 deals of the total 743. The week's daily average amounted to 643.

FNFC better

Baker Electronics, which made an impressive debut on Wednesday, eased a couple of pence to 107p, but still stands at a premium of 47 on the placing price of 60p; the shares are dealt under Rule 163 (2).

Interest in the banking sector was at a fairly low ebb. FNFC found renewed support and closed 2½ dearer at 26p, while UDT, 63p, and Provident Financial, 132p, hardened a penny apiece among steadier Hire Purchases. Elsewhere, Gonde Durrant and Murray improved 1½ afresh to 27p on further consideration of increased first-half earnings. Union Discount picked up 8 more to 490p and Royal Bank of Scotland closed 3 to the good at 81p.

London United hardened 3 to 158p in quietly firm Insurances, while Christopher Moran edged forward a penny to 21p following Press comment. Hambro Life added 6 to 246p.

Breweries made progress, with firmer trend being maintained in the late dealings. Bass finished 6 to the good at 222p and Whitbread "A" 5 higher at 152p, while Scottish and Newcastle ended 1½ dearer at 64p.

Recently dull following the interim results, Taylor Woodrow improved 13 to 473p. Redland came in for support and firmed 8 to 174p, while Fairclough Construction added a couple of pence to 69p; the latter's interim results are due towards the end of the month. Housebuilders Gough Cooper gained 4 for a two-day rise to 7 to 98p on the Board's confident remarks and the property revaluation, while Barratt Developments, still responding to a favourable Press mention, added 3 more to 130p. News that Aljazira Contracting of Kuwait had built up a 10 per cent stake in the company left French Kier a penny harder at 40p, but Ruberoid, a good market of late on speculative interest, shed that amount to 65p. Among Timbers, Mallinson-Denny eased 1½ to 69p and end-Account influences, while Montague L. Meyer slipped to 91p before a late spurt left the price 2 firmer on balance at 95p. International Timber rose 5 to 108p on buying ahead of the shares going ex dividend on Monday. Particularly dull of late on adverse Press comment, Blue Circle rallied 4 to 360p but still recorded a fall on the week of 20. Tarmac picked up 3 to 267p and BPB a couple of pence to 235p. Burnett and Hallamshire rose 13 to 798p in a thin market following a favourable Press mention.

ICI hardened a couple of pence to 366p after a small two-way business, but Yorkshire Chemicals shed 2 to a 1980 low of 38p.

B. & Q. up on bid

B and Q (Retail) featured Stores with a late jump of 14 to 82p in response to F. W. Woolworth's surprise 85p per share cash bid; the latter closed 1½ easier taking its decline on the week to 6½ at 55½p ahead of Wednesday's interim figures. MFI Furniture added 3 to 42p in belated response to Press comment and Dixon Photographic hardened a couple of pence to 99p on an investment recommendation. Wearwell put on 3 to 58p and Mothercase 4 to 346p. Bambers, on the other hand, eased 2 to 46p.

Electricals were featured by Wholesale Fittings which advanced 50 to 775p in response to the preliminary results and capital proposals. Renewed demand lifted Cray Electronics 6 more to 48p, while Electrocomponents firmed 8 to 646p and Muirhead became a better market at 132p, up 5. Fresh selling, however, left Sound Diffusion another 3 lower at 61p. Among the leaders, GEC contiued to make progress at 482p, up 8, along with Plessey, 3 better at 221p.

The Government's decision not to improve its nationalisation compensation terms caused marked weakness in Yarrow, 230p, and Vosper, 133p, down 60 and 50 respectively, but Vickers held relatively steady at 122p, down 4. Elsewhere in the Engineering sector, Wheeway Watson fell 3 to 11p following the gloomy statement on trading, while ML Holdings at 315p, gave up 8 of the previous day's rise of 23 which followed the preliminary figures. Scattered offerings left Henry Sykes 4 cheaper at 40p, while falls of 3 were seen in Triplex Foundries, 47p, and Metalrax, 54p.

Notable movements in Foods were few, but British Sugar rose 10 to 252p and Associated British put on 4 to 110p. Fitch Lovell firmed 3 to 78p following acquisition news.

ICL encountered early support and rose to 180p on hopes that the group would be awared the lion's share of the Government's £150m contract for computerising the income tax operations in the Inland Revenue, but finished only a couple of pence harder on balance at 170p on the deferment of the decision. Elsewhere in miscellaneous industrials, Sothebys reflected buoyant U.S. sales with a rise of 15 at 432p, while European Ferries rose 5 to 184p on renewed investment buying. Laundry and dry cleaning isuess returned to favour with Initial Services, 188p, and Sketchley, 285p, up 10 and 6 respectively. Consideration of the company's North Sea oil interests lifted Cawoods 6 to 204p, while Hensher A improved 3 to 102p following Press comment. In the wake of the acquisition of Huyck Corporation of the U.S. for £61m, BTR rose 8 to 346p, while improvements of between 4 and 6 were recorded in Dalgety, 264p, Centreway, 128p, and Granada A, 194p. Still depressed by the poor interim figures, Hoover A softened 3 more making a fall on the week of 25 at 147p; short-time working is to be introduced at the group's South Wales washing-machine plant later this month. The leaders ended the Account on a quietly firm note. Beecham rose 4 to 143p as did Glaxo, to 228p, and Reed International, to 198p.

Lottery ticket concern Norton and Wright dropped 10 to 80p on the lower preliminary profits. Elsewhere in the Leisure sector, Coral firmed 2½ to 66p pending the company's hotel sell-off.

Among Motors Components, Lucas eased 3 to 211p but fresh support was forthcoming for Dowty which firmed 4 to 229p. Elsewhere, Pennine put on 1½ to 11½p on revived speculative interest, while Lex Service added 3½ to 83p on new-time buying.

In Paper/Printings, Dickinson Robinson became prominent and firmed 5 to 93p, while David S. Smith put on 4 for a two-day gain of 14 to 94p in response to the sharply increased annual profits and dividend.

Dull during the week on fears of a prolonged period of high interest rates, Properties took a distinct turn for the better on the reappearance of buyers. Land Securities put on 7 to 363p and MEPC 5 to 255p, while British Land added 4 to 92p and Capital and Counties 3 to 144p. Great Portland Estates firmed 6 to 268p, and Stock Conversion 8 to 440p. Centrovincial Estates gained 7 to 175p in belated response to the annual results and property revaluation, while fresh speculative interest left Regional A 8 dearer at 138p and Rush and Tompkins 10 to the good at 216p. Allied London revived with a gain of 6 at 123p, while rises of 3 were marked against Marlborough, 43p, and Westminster and Country, 57p. Estates and Agency added 2 for a gain on the week of 16 to a 1980 peak of 112p in a thin market.

Oils improve afresh

Trading was a little brisker in Oils which maintained the previous day's better trend. Among the leaders, BP firmed 10 to 358p and Shell 4 to 410p, while Lasmo put on 19 to 694p. Tricentrol, 334p, and Ultramar, 346p gained 6 and 8 respectively. Exploration issues also recorded useful gains. Helped by late support, Candecca finished 12 to the good at 198p, while Santos rose 45 to 680p. Warrior Resources, 210p, and Double Eagle, 205p, gained 15 apiece following a report that a commercial oil discovery had been made on the first of a series of nine exploration drills in Oklahoma.

Overseas Traders were quietly firm. Harrisons and Crosfield added 13 to 750p, Inchcape 7 to 427p and Paterson Zochonis 5 to 315p.

Among Financial Trusts, Mercantile House encountered occasional support and put on 4 to 276p, while Centreway hardened 2 more to 155p on the preliminary figures, but Hampton Trust, encountered profit-taking after recent firmness and eased 2 to 69p.

Reflecting the firmer conditions in the industrial market, Guthrie rose 25 to 750p in Plantations. Castlefield, however, fell 15 more to 485p.

Charter in demand

Interest was revived in mining markets yesterday in lively end-Account trading. The uncertain course of the bullion price, finally up $4 at $633.5 per ounce, led to mixed performances by gold shares, and the Gold Mines index dipped 0.9 to 379.2.

Charter Consolidated were outstanding among London Financials, with a rise of 13 to 227p after opting to take cash from BP in return for the stake in Selection Trust. Consolidated Gold Fields put on 7 to 510p, and RTZ closed 5 better at 477p.

Among South African Golds, Winkelhaak gained ¼ to £13⅞, St. Helena were ⅜ better at £19⅝, and Hartebeestfontein and West Driefontein each rose ¼ to £31¼ and £38 respectively. Doornfontein featured in the lower-priced issues with a fall of 22 to 791p, while Blyvoor lost 12 to 706p and Marievale gave up 9 to 194p. Kinross moved up 9 to a 1980 high of 685p, and Stilfontein advanced by a similar amount to 938p.

South African Financials were also mixed, with good demand from Johannesburg being offset by the weaker rand. Amgold shone with a rise of ⅜ to £41⅝ after the higher than expected interim dividend.

Tin shares were again in demand in a "thin" market. Malayan Tin Dredging extended its 1980 high with a gain of 10 to 990p. Companies not involved in the Malaysia Mining Corporation merger rose in sympathy, with Tronoh putting on 15 to 320p, Gopeng 10 to 455p, and Killinghall reaching a new high for 1980 of 296p after a rise of 6.

Australians became more active, with the larger companies taking over the pace-setting role from the more speculative issues. Western Mining extended its 1980 high to 288p with a gain of 13, and Pancontinental Mining put on 20 to 360p in front of the flotation of its Australia oil and gas exploration interests. Pekn Wallsend rose by 10 to 425p, and CRA gained 4 to 268p.

OPTIONS

First Dealing	Last Dealing	Last Declaration	For Settlement
Aug. 4	Aug. 15	Nov. 6	Nov. 17
Aug. 18	Aug. 29	Nov. 20	Dec. 1
Sept. 8	Sept. 19	Dec. 4	Dec. 15

For rate indications see end of Share Information Service

Money was given for the call of Thomas Borthwick, MFI, Howard Tenens, Oil Search, Ashton Mining, W. Ribbons, Blue Circle, BSG International, Corinthian Holdings, Dunlop, Shell and ICL. Puts were arranged in Howard Tenens, Woodhall Trust and Shell, while W. Ribbons and Blue Circle were dealt in for the double.

FINANCIAL TIMES STOCK INDICES

	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 1	A year ago
Government Secs.	69.81	69.49	68.67	70.15	70.24	70.78	73.74
Fixed Interest	70.68	70.41	70.67	71.88	72.00	72.51	74.46
Industrial	481.1	478.2	473.1	480.8	485.4	487.9	470.0
Gold Mines	379.2	380.1	375.0	377.1	374.4	376.6	169.3
Ord. Div. Yield	7.55	7.58	7.69	7.53	7.52	7.44	5.89
Earnings, Yld. % (full)	17.72	18.17	18.40	18.09	18.02	17.82	17.38
P/E Ratio (net) (*)	6.83	6.63	6.65	6.67	6.69	6.76	7.23
Total Bargains	20,696	19,816	12,254	18,125	17,819	18,614	—
Equity turnover £m.	—	103.17	103.23	77.11	75.59	88.33	72.90
Equity bargains total	—	12,018	13,084	11,304	12,214	12,002	11,474

10 am 479.4. 11 am 480.4. Noon 480.1. 1 pm 478.8.
2 pm 479.2. 3 pm 479.6.
Latest Index 01-246 8026.
* Nil = 6.36.

Basis: 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1980 High	1980 Low	Since Compilat'n High	Since Compilat'n Low
Govt Secs.	78.54 (21/7)	63.85 (7/8)	127.4 (9/1/35)	48.18 (3/1/75)
Fixed Int.	74.08 (24/7)	64.70 (10/3)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	503.1 (16/7)	406.9 (3/1)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	383.8 (25/7)	856.6 (16/8)	442.3 (22/5/75)	43.3 (26/10/71)

S.E. ACTIVITY

	Aug. 8	Aug. 7
—Daily		
Gilt Edged	126.4	125.1
Industrials	108.3	106.5
Speculative	40.3	28.1
Totals	76.6	71.0
5-day Avrge.		
Gilt Edged	127.1	183.3
Industrials	108.3	101.0
Speculative	32.7	30.6
Totals	71.7	70.1

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri., Aug. 8, 1980 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thur., Aug. 7 Index No.	Wed., Aug. 6 Index No.	Tues., Aug. 5 Index No.	Mon., Aug. 4 Index No.	Year ago (approx.) Index No.	1980 High	1980 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (172)	277.71	+0.8	16.50	5.94	7.34	275.59	273.57	278.39	279.56	244.66	286.96 (18/7)	208.87 (3/1)	287.87 (4/5/79)	50.71 (13/12/74)
2	Building Materials (28)	256.37	+0.8	17.94	6.54	6.56	254.27	254.31	257.30	261.66	225.01	268.14 (21/7)	194.00 (3/1)	270.52 (8/5/79)	44.27 (11/12/74)
3	Contracting, Construction (27)	413.14	+1.1	22.40	5.88	5.30	408.46	409.62	416.26	420.83	362.75	423.81 (21/7)	313.00 (3/1)	451.74 (4/5/79)	71.48 (2/12/74)
4	Electricals (16)	810.38	+1.4	12.10	3.28	10.26	799.47	785.08	802.07	799.51	619.48	818.00 (18/7)	539.56 (2/1)	818.00 (18/7/80)	84.71 (25/6/62)
5	Engineering Contractors (11)	332.66	−0.5	20.41	7.83	6.14	334.21	335.55	336.97	336.90	365.15	337.53 (21/7)	264.74 (30/5)	429.70 (4/5/79)	64.39 (2/1/75)
6	Mechanical Engineering (74)	178.34	+0.1	17.15	7.50	7.13	178.14	177.18	180.37	181.25	176.69	190.20 (18/7)	146.46 (3/1)	211.08 (8/5/79)	45.43 (6/1/75)
8	Metals and Metal Forming (16)	166.59	+0.2	21.76	10.19	5.49	166.33	166.28	169.49	169.49	161.39	173.09 (18/7)	141.95 (2/1)	192.29 (4/5/79)	49.65 (6/1/75)
	CONSUMER GOODS														
11	(DURABLE) (49)	232.12	+0.7	14.15	5.50	8.48	230.49	227.79	233.69	234.14	231.83	237.90 (21/7)	184.82 (3/1)	259.88 (8/5/79)	38.39 (6/1/75)
12	Lt. Electronics, Radio, TV (14)	348.87	+1.1	11.00	4.04	11.15	345.13	340.03	349.19	348.59	326.81	357.21 (21/7)	247.36 (3/1)	358.49 (11/9/79)	42.85 (13/12/74)
13	Household Goods (14)	94.10	—	25.75	10.88	4.90	94.14	94.39	97.79	98.23	148.53	116.40 (1/1)	93.32 (9/6)	263.22 (4/5/72)	63.92 (17/12/74)
14	Motors and Distributors (21)	101.67	−0.4	22.23	9.24	5.16	102.06	101.58	103.66	105.02	111.95	115.86 (29/1)	94.70 (4/6)	170.59 (15/1/69)	19.91 (6/1/75)
	CONSUMER GOODS														
21	(NON DURABLES) (172)	233.13	+0.8	17.68	6.92	6.83	231.33	230.05	233.50	233.57	239.66	240.12 (8/7)	200.15 (3/1)	269.81 (4/5/79)	61.41 (13/12/74)
22	Breweries (14)	283.71	+1.7	16.02	6.49	7.28	278.98	279.29	284.03	283.06	284.71	306.45 (8/7)	248.93 (3/1)	306.45 (8/7/80)	69.47 (13/12/74)
23	Wines and Spirits (5)	317.13	+0.4	19.13	6.42	6.15	315.73	313.37	318.35	317.57	327.43	322.92 (8/7)	278.92 (2/6)	352.29 (29/3/79)	78.88 (13/12/74)
24	Entertainment, Catering (17)	331.63	+1.7	17.41	6.74	7.12	326.13	323.23	330.95	332.00	308.13	349.80 (7/7)	268.87 (3/1)	374.32 (3/5/79)	54.83 (9/1/75)
25	Food Manufacturers (21)	209.98	+0.9	19.29	7.15	6.09	208.19	208.54	212.80	212.74	204.19	219.08 (16/7)	183.95 (28/5)	236.75 (4/5/79)	59.67 (11/12/74)
26	Food Retailing (13)	350.04	+0.8	12.06	4.55	9.90	347.39	346.41	352.69	352.58	314.92	352.96 (30/7)	286.28 (3/1)	352.96 (30/7/80)	54.25 (11/12/74)
32	Newspapers, Publishing (13)	433.10	+0.3	21.71	7.40	6.07	431.84	427.50	433.15	435.06	409.49	455.30 (14/2)	378.52 (3/1)	492.56 (8/5/79)	55.08 (6/1/75)
33	Packaging and Paper (15)	132.29	+1.1	27.01	9.90	4.30	130.89	130.61	132.90	132.57	125.43	140.51 (21/7)	111.30 (3/1)	155.65 (14/9/78)	43.46 (6/1/75)
34	Stores (45)	229.80	+8.4	13.71	5.47	9.51	228.92	226.43	228.77	229.71	249.92	233.21 (31/7)	188.71 (3/1)	273.48 (4/5/79)	52.63 (6/1/75)
35	Textiles (21)	124.02	−0.2	26.51	12.74	4.59	124.22	123.81	124.73	124.66	152.83	140.52 (14/7)	116.89 (6/6)	235.72 (17/1/67)	62.66 (11/12/74)
36	Tobaccos (3)	225.45	+0.4	25.46	10.33	4.47	224.47	222.31	224.37	222.89	245.23	239.09 (8/7)	192.86 (3/1)	339.16 (2/8/72)	94.34 (13/6/62)
37	Toys and Games (5)	27.17	+0.3	8.28	14.03	27.94	27.08	26.97	26.97	26.67	74.20	47.59 (1/1)	25.08 (16/6)	135.72 (16/1/70)	20.92 (6/1/75)
41	OTHER GROUPS (99)	223.04	+0.8	16.56	6.95	7.17	221.30	219.89	224.39	225.02	199.57	230.85 (21/7)	184.19 (3/1)	234.76 (8/5/79)	58.63 (6/1/75)
42	Chemicals (16)	310.82	+0.6	19.96	7.75	5.74	308.87	305.45	311.38	312.63	277.68	326.53 (7/7)	276.80 (3/1)	329.77 (4/5/79)	71.20 (1/12/74)
43	Pharmaceutical Products (7)	223.95	+2.3	11.30	6.18	10.94	218.95	215.98	222.85	223.65	218.12	241.07 (7/7)	175.38 (28/5)	291.13 (14/9/78)	175.38 (28/5/80)
44	Office Equipment (6)	105.50	+0.4	19.19	7.86	6.08	105.13	105.35	108.70	108.01	118.68	123.10 (14/2)	98.57 (2/6)	246.06 (1/9/72)	45.34 (2/1/75)
45	Shipping (10)	583.04	+0.9	13.17	6.06	9.26	577.80	574.86	581.95	588.69	444.79	610.62 (16/7)	411.53 (10/1)	610.62 (16/7/80)	90.80 (29/6/62)
46	Miscellaneous (60)	280.95	+0.3	16.11	6.59	7.59	280.24	280.25	284.66	284.99	238.87	287.99 (31/7)	211.86 (3/1)	287.99 (31/7/80)	60.39 (6/7/75)

FIXED INTEREST PRICE INDICES

NEW HIGHS AND LOWS FOR 1980

The following shares quoted in the Share Information Service yesterday attained new Highs and Lows for 1980.

NEW HIGHS (47)

BRITISH FUNDS (3)
Treas. 3½pc '79-81 · Treas. Variable '83
Exchqr. 3pc 1981

FOREIGN BONDS (1)
S.G.I. 6½pc 1980

AMERICANS (10)
Abbott Labs. · I.U. Int.
Bethlehem Steel · Kaiser Al.
C.P.C · Owens-Illinois
Esmark · Saul (B. F.)
Fluor Corp. · Zapata Corp.

BANKS (1)
Deutsche Bank

BUILDINGS (1)
Redland (Warrants)

ELECTRICALS (5)
Cray Elec. · Perkin-Elmer 4pc
Emess Lighting · Wholesale Fittings
Energy Services

ENGINEERING (1)
Anderson Strathclyde

FOODS (1)
Assoc Brit. Foods

INDUSTRIALS (4)
Cont. Stationery · Office & Electronic
Holt Lloyd Int. · Wilkes (J.)

INSURANCE (1)
London United

PAPER (3)
Chapman (Balham) · Smith (D.)
Cropper (J.)

PROPERTY (5)
Allied London · Estates & Agency
Apex Props. · Trust of Prop.
Beaumont Props.

TEXTILES (1)
Stewart Nairn

TRUSTS (2)
Equity Inc. · Winterbottom

OIL & GAS (2)
Double Eagle · Warrior Res.

RUBBERS (1)
Malakoff

MINES (5)
Kloross · Killinghall
St. Helena · Malay. Dredging
Western Mining

NEW LOWS (31)

BRITISH FUNDS (1)
Treas. 11¾pc '91 A (£20 paid)

FOREIGN BONDS (1)
Turin 9pc 1991

BEERS (3)
Invergordon · Tomatin
Macallan-Glenlivet

BUILDINGS (1)
Sharpe & Fisher

CHEMICALS (1)
Yorks. Chems.

STORES (2)
Helene of London · Vantona

ELECTRICALS (4)
Jones Stroud · Wellco
Vitatron N.V. · Wigfall (H.)

ENGINEERING (5)
Alcan Aluminium · Triplex Foundries
Boulton (Wm.) · Yarrow
Green's Economiser

INDUSTRIALS (9)
Alpine Hldgs · Duple Int.
Armour Trust · Neil & Spencer
Avon Rubber · New Equipment
Berwick Timpo · Whitecroft
Bodycote Int.

PAPER (1)
Usher-Walker

SHOES (1)
Lambert Howarth

OIL & GAS (1)
SASOL

RUBBERS (1)
Anglo-Indonesian

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down	On the week Same
British Funds	87	—	7	154	238	38
Corpns. Dom. & Foreign Bonds	27	7	32	50	104	176
Industrials	252	168	974	813	1,806	4,652
Financial and Property	195	46	255	387	818	1,275
Oils	36	2	18	96	97	87
Plantations	8	3	16	13	24	88
Mines	46	44	69	221	223	351
Others	70	19	78	215	252	378
Totals	719	289	1,449	1,989	3,352	6,945

RECENT ISSUES

EQUITIES

FIXED INTEREST STOCKS

"RIGHTS" OFFERS

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Amer. Gth. Tst.	51.3	55.2	+0.6	2.63
Abbey Capital	40.2	43.5	+0.5	5.63
Abbey General	50.9	55.0xd	+0.5	5.71
Abbey Gilt & F.I. Tst.	110.8	117.7	+0.5	11.62
Abbey Income	34.2	37.0	+0.2	9.35
Abbey W'Wide Bd Tst.	92.9	97.6	-0.1	6.86
Abbey Inv. Tst. Fnd.	43.6	47.3xd	+0.2	5.39
Equitas Prog. Trust	77.1	83.4	+0.8	5.17

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt & Pref	89.3	93.9xd	.....	12.75

Allied Hambro Ltd. (a) (b)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds				
Allied 1st	84.1	90.0	+0.8	5.89
Brit. Inds. Fund	73.9	79.1	+0.5	6.57
Growth & Income	45.2	48.4	+0.6	5.74
Elect. & Ind. Dev.	41.5	44.4	+0.3	5.52
Allied Capital	86.6	92.7	+0.8	4.80
Hambro Fund	126.5	135.4	+1.0	6.41
Hambro Acc. Fund	160.2	171.4	+1.5	5.25
Income Funds				
High Yield Fd.	64.8	68.5xd	+0.2	10.46
High Income	75.4	80.7	+0.7	7.81
A. H. Eq. Inc.	42.7	45.7xd	+0.3	7.94
Govt. Secs.	25.9	26.6	+0.2	8.46
International Funds				
International	31.1	33.3	+0.3	3.24

Confederation Funds Mgt. Ltd. (a)
50, Chancery Lane, WC2A 1HE. 01-242 0282

Growth Fund	65.7	69.1	.....	4.23

For Cosmopolitan see Chieftain Fund Managers.

Craigmount Unit Tst. Mgrs. Ltd.
40 Bucklersbury, London EC4N 8BD. 01-248 4984

High Income	37.3	40.7xd	-0.1	11.13
North American	51.9	56.0	+0.9	3.06
Canadian Exempt*	62.3	65.8	.....	3.61
Canadian Trust	58.8	63.6	+0.8	2.81
Mid Mount High Inc.*	50.3	53.1	.....	9.08
Recovery	56.1	61.1	.....	7.07
Gilt Trust	44.4	46.4xd	+0.9	10.84

*Weekly dealing day Wednesday.

Crescent Unit Tst. Mngrs. Ltd. (a)(g)
4 Melville Cres., Edinburgh 3 031-226 4931

Cres. Amer. Fd.	30.2	33.4	+0.3	1.12
Cres. Internat'l.	64.3	69.4	+0.5	2.52
Cres. High. Dist.	40.8	44.0	+0.1	11.08
Cres. Reserves	47.1	50.8xd	+0.5	5.91
Cres. Tokyo	20.1	21.7	+0.1	1.00

Dartington Unit Trust Mngt. Ltd.
Bridge Chambers, Barnstaple, Devon (027) 76324

Total Perf. Unit Tst.	23.9	25.3	.....	13.90

Discretionary Unit Fund Managers
Bilbao Hse, 36/38 New Broad St, EC2M 1NU.
01-638 4485

Disc. Inc. Aug. 8	220.9	235.6	-1.6	5.52

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	17.3	19.1	.....	7.48
Gt. Winchester O'seas	22.6	24.9xd	.....	4.42

Emson & Dudley Tst. Mngmnt. Ltd.
28b Albemarle St., W1. 01-493 3211

Emson Dudley Tst.	82.0	88.2	.....	6.00

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	82.6	86.4	+1.0	4.89

Fidelity International Management Ltd.

J. Henry Schroder Wagg & Co. Ltd.♥(a)(c)
120, Cheapside, E.C.2. 01-240 3434

Capital Aug. 5	138.4	148.8	.....	3.25
(Accum. Units)	175.7	188.9	.....	3.25
Income Fd. Aug. 5	203.5	218.8xd	.....	8.55
(Accum. Units)	339.6	365.1	.....	0.55
Gen. Aug. 6	107.0	115.0xd	.....	4.51
(Accum. Units)	142.9	153.6	.....	4.51
Europe Aug. 7	25.0	26.8	.....	3.43
(Accum Units)	29.0	31.1	.....	3.41
*Pn & Ch Fd July 22	216.9	223.6xd	.....	5.11
*Recovery Aug. 5	254.2	262.0xd	.....	5.39
*Spec. Ex. Aug. 5	365.0	376.2	+0.6	3.34

*For tax exempt funds only

Scottish Equitable Fnd. Mgrs. Ltd.♥
28 St. Andrews Sq. Edinburgh 031-556 9101

Income Units	59.2	63.0	.....	5.28
Accum. Units	73.8	78.5	.....	5.28

Dealing day Wednesday.
For Sebag see Carr, Sebag Unit Trust Managers.

Security Selection Ltd.
Regis Hse., King William St., EC4. 01-623 4951.

Unvl Gth Tst Acc.	24.2	26.3	.....	3.98
Unvl Gth Tst Inc.	26.4	28.0	.....	3.98

Stewart Unit Tst. Managers Ltd.(a)
45, Charlotte Sq., Edinburgh. 031-226 3271

†Stewart American Fund				
Standard Units	68.4	72.8	.....	1.73
Accum. Units	75.3	80.0	.....	—
Withdrawal Units	48.2	51.2	.....	—
*Stewart British Capital Fund				
Standard	169.4	179.7	.....	5.96
Accum. Units	195.8	207.7	.....	5.96

Dealing †Tues. & Fri. *Wed.

Sun Alliance Fund Mngt. Ltd.
Sun Alliance Hse., Horsham. 0403 64141

Exp. Eq. July 9	£302.10	318.10	.....	5.04
♥The Family Fd.	125.6	133.6	+0.8	5.06

Target Tst. Mngrs. Ltd.♥(a)(g)
31, Gresham St., E.C.2. Dealings: 0296 5941.
19, Athol Crescent, Edin. 3. 031-229 8621/2

INSURANCE PROPERTY BONDS

For Schlesinger Trust see Britannia/Schlesinger

OFFSHORE & OVERSEAS FUNDS

Albany Fund Management Limited
P.O. Box 73, St. Helier, Jersey. 0534 73933

Albany $ Fd. (CI)	US$155.46	157.48	.....	1.41

Next dealing Sept. 1.

Alexander Fund
37, rue Notre-Dame, Luxembourg.

Alexander Fund	US$11.66	—	.....	—

Net asset value Aug. 4

Allen Harvey & Ross Inv. Mgt. (C.I.)
1 Charing Cross, St. Helier, Jsy., C.I. 0534-73741

AHR Dollar Inc. Fd.	US$10.13	10.15xd	.....	9.95
AHR Gilt Edg. Fd.	£11.72	11.78xd	.....	13.22

Alliance International Dollar Reserves
c/o Bank of Bermuda, Hamilton, Bermuda.
Adv.: ACMI, 319 High Holborn WC1. 404 0577
Daily dis.: Aug. 1-3 0.000648 (8.2% pa)

Arbuthnot Securities (C.I.) Limited
P.O. Box 284, St. Helier, Jersey. 0534 76077

East & Intl. Tst. (CI)	120.0	126.0	.....	2.98
Dealing day Thurs.				
Gov't Secs. Tst. (CI)	82.5	86.9xd	+0.8	14.68
Daily Dealings.				
Sterling Fd.	113.5	113.7	.....	—
Dealing on Wed.				

Bank of America International S.A.
35 Boulevard Royal, Luxembourg G.D.

Wldinvest Income	US$108.76	109.32	-0.31	9.15

Prices at Aug. 7. Next sub. day Aug. 14.

Continued on previous page

FT SHARE INFORMATION SERVICE

LOANS

1980 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
		Public Board and Ind.				
64½	56½	Agric. Mt. 5pc '59-89	60	......	8.35	12.65
83½	73½	Alcan 10½pc '89-94	80½	......	14.57	15.55
29¼	25	Met. Wtr. 3pc 'B'	27xd	–¼	11.00	13.09
103	89	U.S.M.C. 9pc 1982	100	......	9.16	—
92	85½	Do. without Warrants	90½	......	10.15	13.75
		Financial				
99½	96½	FFI 13pc 1981	98½	+¼	13.19	16.16
101½	93½	Do. 14pc '83	98½	+½	14.22	14.56
88	79½	FFI(UK Fa)5½pcDb. '80-2	86½	......	6.52	14.29
82½	71½	Do. 6¾pcDb. '81-84	80½	......	7.92	12.90
92	80½	Do. 10½pc Uns.Ln. '86	90	......	11.79	13.40
91½	77	Do. 11pc Uns.Ln. '88	89½	......	12.43	13.15
93½	82	Do. 11¾pc Uns.Ln. '90	91½	......	13.00	13.60
101	84½	Do. 12½pc Un. Ln. 1992	96	–½	13.74	14.10
66½	56	Do. 7¼pcADeb. '89-92	63	......	11.82	13.90
66½	51½	Do. 7¼pcA Db. '91-94	63	......	12.09	13.80
76½	64½	Do.9pc'A' '91-94	74½	+1	12.72	13.85
71½	61	Do.8¾pcLn. '92-97	68	+½	13.12	13.80

FOREIGN BONDS & RAILS

1980 High	Low	Stock	Price £	+ or –	Div. % Gross	Red. Yield
82	43	Antofagasta Rly.	77	......	—	—
55	50	Do. 5pc Pref.	55	......	—	—
98	98	Chilean Mixed	98	......	3	13.10
58	20	Chinese 4½pc 1898	20	......	—	—
45	18	Do. 5pc 1912	18	......	—	—
24	13	Do. 5pc 1913	14	......	—	—
24	15½	Do. 5pc 1925 Boxer	15½	......	—	—

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

1980 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
91	82¾	Aust. 5½pc '81-82	89	+¼	6.30	14.52
85¼	72½	Do. 6pc 1981-83	83½	+¼	7.27	12.62
67	58	N.Z. 7¼pc 1988-92	64¾	+¼	11.31	13.35
01½	72	Do. 7½pc '83-86	79½	+¼	9.56	12.82
96¾	88	Sth. Africa 9½pc '79-81	94¾	+¼	10.29	16.52
160	95	S. Rhod. 2½pc Non-Ass.	100	–7	—	28.94
169	133	Do. 6pc '78-81 N.-As.	142	–4	—	29.99

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

BUILDING INDUSTRY—Contd.

CHEMICALS, PLASTICS

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS—Continued

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY
Telex: Editorial 8954871. Advertisements: 885033. Telegrams: Finantimo, London.
Telephone: 01-248 8000.

Frankfurt Office: The Financial Times (Europe) Ltd., Frankenallee 68-72, 6000 Frankfurt-am-Main 1.
Telex: Editorial 416052. Commercial 416193. Telephone: Editorial 7598 234. Commercial 7598 1.

INTERNATIONAL AND BRITISH OFFICES

EDITORIAL OFFICES

Amsterdam: P.O. Box 1296, Amsterdam-C. Telex 16527 Tel: 276 796
Birmingham: George House, George Road. Telex 338650 Tel: 021-454 0922
Bonn: Presshaus 11/104 Heussallee 2-10. Telex 8869542 Tel: 210039
Brussels: 39 Rue Ducale. Telex 23283 Tel: 512-9037
Cairo: P.O. Box 2040. Tel: 938510
Dublin: 25 South Frederick Street. Telex 5414 Tel: 785321
Edinburgh: 37 George Street. Telex: 72484 Tel: 031-226 4120
Frankfurt: Frankenallee 71-81 Telex: 416052 Tel: 7598 234
Johannesburg: P.O. Box 2128 Telex 8-6257 Tel: 838-7545
Lisbon: Praca de Algeria 58-10, Lisbon 2. Telex: 12533 Tel: 362 508
Madrid: Espronceda 32, Madrid 3. Tel: 441 6772
Manchester: Queen's House, Queen Street. Telex: 666813 Tel: 061-834 9381
Mexico: Paseo de la Reforma 122-10, Mexico 6DF. Tel: 53513-68
Moscow: Kutuzovsky 14, Apartment 1, Moscow. Telex: 7900 Tel: 243 1635
New York: 75 Rockefeller Plaza, N.Y. 10019. Telex: 66390 Tel: (212) 541 4625
Paris: Centre d'Affaires Le Louvre, 168 Rue de Rivoli, 75044 Telex: 220044 Tel: 297 2000
Rome: Via della Mercede 55. Telex: 610032 Tel: 678 3514
Stockholm: c/o Svenska Dagbladet, Raalambsvagen 7. Telex: 17603 Tel: 50 60 88
Tokyo: 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku. Fax Tel: 241 2920
Washington: 914 National Press Building, Washington D.C. 20045 Telex: 440340 Tel: (202) 347 8676

ADVERTISEMENT OFFICES

Birmingham: George House, George Road. Telex: 338650 Tel: 021-454 0922
Edinburgh: 37 George Street. Telex: 72484 Tel: 031-226 4139
Leeds: Permanent House, The Headrow. Tel: 0532 454969
Manchester: Queen's House, Queen Street. Telex: 666813 Tel: 061-834 9381
Frankfurt: Frankenallee 68-72. Telex: 416193 Tel: 7598 1
New York: 75 Rockefeller Plaza, N.Y. 10019. Telex: 238409 Tel: (212) 489 8300
Paris: Centre d'Affaires Le Louvre, 168 Rue de Rivoli, 75044. Telex: 220044 Tel: 297 2000
Tokyo: Kasahara Building, 1-6-10 Uchikanda, Chiyoda-ku. Telex: J27104 Tel: 295 4050

Overseas advertisement representatives in Central and South America, Africa, the Middle East, Asia and the Far East.
For further details, please contact:
Overseas Advertisement Department,
Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY

SUBSCRIPTIONS

Copies obtainable from newsagents and bookstalls worldwide or on regular subscription from Subscription departments: Financial Times in London, Frankfurt and New York

For Share Index and Business News Sum[illegible]
Liverpool and Manchester, [illegible]

هكذا من الأصل

هكذا من الأصل

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

INSURANCE—Continued

[illegible]

LEISURE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

FINANCE, LAND—Continued

[illegible]

OIL AND GAS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

MINES—Continued

Australian

[illegible]

Tins

[illegible]

Copper

[illegible]

Miscellaneous

97	52	Barymin	58	−2	—	—	—
17	12	Burma Mines 10p	14	......	0.62	1.1	6.4
148	53	Colby Res. Corp.	148	......	—	—	—
502	290	Cons. Murch. 10c.	300	......	MQ100c	1.8	19.1
180	95	††Hemerdon 10c.	95	......	—	—	—
585	325	Northgate C$1	370	......	—	—	—
485	327	R.T.Z.	477	+5	15.0	3.2	4.5
93	16	Robert Mines	24	+1	—	—	—
58	26	Sabina Inds. C$1.	29	......	—	—	—
51	38	††SWCM 10p	38	......	—	—	—
650	431	Tara Expln. $1	455	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock.
- ● Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- †† Unlisted security.
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ➔ Regional price.
- ‖ No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1980-81. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	32	......
Bertam	16	......
Bdg'wtr. Est. 50p	447	−1
Clover Croft	60	......
Craig & Rose £1	£11	......
Fife Forge	32½	......
Finlay Pkg. 5p	19	......
Graig Ship. £1	£13½xd	−½
Higsons Brew	75	......
Holt (Jos) 25p	252	+2
I.O.M. Stm. £1	185	......
Pearce (C. H.)	465	......
Peel Mills	45	......
Sheff. Refrshmt	103xd	......
Sindall (Wm.)	142	......

IRISH

Conv. 9% '80/82	£91¾	......
Nat. 9¾% 84/89	£79¾	+¼
Fin. 13% 97/02	£94¾	+⅜
Alliance Gas	48	......
Arnott	200	......
Carroll (P.J.)	64	......
Clondalkin	120	......
Concrete Prods.	75	......
Heiton (Hldgs.)	27	......
Ins. Corp.	275	+15
Irish Ropes	46	......
Jacob	31	......
T.M.G.	83	−2
Unidare	79	......

OPTIONS

3-month Call Rates

Industrials					
A. Brew	7	I.C.I.	27	Utd. Drapery	6½
BOC Intl.	6	"Imps"	6½	Vickers	12
B.S.R.	4½	I.C.L.	14	Woolworths	5½
Babcock	8	Inveresk	4		
Barclays Bank	34	Ladbroke	13	**Property**	
Beecham	10	Legal & Gen.	15	Brit. Land	7
Blue Circle	25	Lex Service	8	Cap. Counties	9
Boots	16	Lloyds Bank	24	Land Secs.	24
Bowaters	15	"Lofs"	3½	MEPC	17
B.A.T.	20	London Brick	6	Peachey	13
Brown (J.)	6	Lucas Inds.	17	Samuel Props.	12
Burton 'A'	10	"Mams"	14	Town & City	2
Cadburys	5½	Mrks. & Spncr	8		
Courtaulds	8	Midland Bank	26	**Oils**	
Debenhams	8	N.E.I.	5	Brit. Petroleum	32
Distillers	17	Nat. West. Bank	27	Burmah Oil	20
Dunlop	7½	P & O Dfd.	10	Charterhall	10
Eagle Star	15	Plessey	14	KCA	11
F.N.F.C.	2¼	Racal Elect.	22	Premier	13
Gen. Accident	21	R.H.M.	4½	Shell	35
Gen. Electric	30	Rank Org.	15	Tricentrol	40
Glaxo	18	Reed Intnl.	16	Ultramar	35
Grand Met.	12	Sears	5		
G.U.S. 'A'	34	Tesco	6	**Mines**	
Guardian	23	Thorn	23	Charter Cons.	14
G.K.N.	20	Trust Houses	12	Cons. Gold	40
Hawker Sidd	13	Tube Invest.	23	Lonrho	8
House of Fraser	15	Unilever	40	Rio T. Zinc	35
		U.D.T.	5½		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 20

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

FINANCIAL TIMES

Saturday August 9 1980

MAN OF THE WEEK

Trials and troubles

BY TONY HAWKINS

THERE IS, of course, much more at stake in the Tekere case which this week threatened the fragile stability of Africa's newest State, Zimbabwe, than one man's political career. In any country, the arrest of a prominent government politician on a charge of murder, which in Zimbabwe carries the death penalty, has potentially far-reaching implications.

Edgar Tekere, the 43-year-old secretary general of the ruling Zanu-PF party and minister of manpower planning and development is not just a prominent politician. He ranks third in the party hierarchy after Prime Minister Robert Mugabe and his deputy Foreign Minister Simon Muzenda, and is the acknowledged leader of the radical and marxist wing

Given his hackground and political experience it is hardly surprising that Edgar Tekere should he a radical. Born near Umtali in 1937, the son of an Anglican priest, Tekere was educated at St. Augustines Mission School in the Eastern Highlands where his political

Edgar Tekere
Problems for a young country

consciousness was aroused by a white member of the Rhodesian Parliament who threatened to close the school because of "political" discussion in the debating society. He fell foul of the authorities at the age of 22, being detained without trial during the 1959 emergency.

He came to prominence in 1961 when at a congress of the National Democratic Party—then the voice of Zimbabwean, Nationalism—Tekere proposed a resolution calling for Joshua Nkomo to be replaced as party leader.

Years later when the Nationalist movement split, Tekere sided with Ndabaningi Sithole and Robert Mugabe in the ZANU wing and in 1964 he was again detained. He was only released ten years later in December 1974 as part of the detente exercise and in March 1975 he slipped out of Zimbabwe with Mr Mugabe to neighbouring Mozambique

His role as linkman between party and government has led him into sharp criticism of Mr Mugabe's policies, for which be was reportedly hauled over the coals at a recent central committee meeting. There is too much talk of gradualism, he said recently, adding "unless we ride with the tide of revolution, down we go as a government. People expect change now and are entitled to it."

Already there are those claiming that Mr. Tekere has been "fingered" by an unholy alliance of whites, Nkomo supporters and Zanu-PF moderates determined to purge the Government of its most vociferous, popular and competent radical.

For Mr. Mugabe, and for the stability of Zimbabwe, what matters now is not only that justice he done but that it be seen to he done. Any suggestion that the leader of the radicals is being made a scapegoat could transform the as yet minor disagreements within the party into a major crisis threatening the Government's very existence.

The other side of the coin is that any attempt to intervene in the judicial process, which option has already been explicitly rejected by the deputy Prime Minister Mr. Muzenda, could have disastrous consequences for the Government's policy of reconciliation with the whites and with Mr. Nkomo's supporters. In recent weeks, culminating in the budget a fortnight ago, the Government has heen at pains to reassure domestic and foreign investors and to present the international community with the image of an efficiently-administered and forward-looking Government. Some real progress has heen achieved, but all this could be jeopardised as a result of the Tekere affair.

TRIBUNAL BLOW TO SHELL, GULF AND MOBIL

Hand back oil, says Nigeria

BY MARK WEBSTER AND MARTIN DICKSON IN LAGOS

THE NIGERIAN Government is to order the three largest international oil companies operating here to surrender millions of barrels of their own oil to the State over the next few years. This highly controversial move affects Shell, Gulf and Mobil.

The amount of crude involved is likely to total at least 90m barrels and could be more than double that amount. The effect on the three oil companies will depend largely on the rate at which they have to provide the oil. This has still to be discussed.

The Government's views, revealed in a White Paper published yesterday, are based on the findings of a tribunal of inquiry into Nigerian crude oil sales.

The move will be a considerable blow to the oil companies. But they are apparently relieved that the tribunal report and the White Paper have produced a more balanced view than had been feared.

However, the tribunal did recommend a thorough shake-up at the State oil company, the Nigerian National Petroleum Corporation, after the report had highlighted the "glaring absence" of qualified staff, an accounts department in a "shambles" and "serious friction" between the chief executive and his board.

The tribunal was originally appointed last April by President Shehu Shagari to investigate allegations that naira 2.8bn (£2.2bn) in oil revenues was missing from the Corporation's accounts.

This claim became one of the most explosive issues facing the 10-month-old civilian Government. However, the tribunal report totally dismissed the story, describing it as "the greatest hoax of all time."

The tribunal, using a broad interpretation of its brief, then looked at the relationship between the oil companies and the NNPC, which holds a majority stake in the largest operators and is entitled to an equivalent proportion of their production—80 per cent for Shell, 60 per cent for Gulf and Mobil.

During periods of oil glut between 1975 and 1978, the Corporation was unable to sell the whole of its planned entitlement while its international partners sold theirs, thus significantly altering the proportions marketed by each.

The tribunal said that the Corporation had been unable to sell nearly 183m barrels to which it was entitled and argued that this amount should be "recovered" from Shell, Mobil and Gulf.

In its White Paper, the Government ruled that the Corporation should "recover from the oil companies at no extra charge to itself all oil lifted over and above the companies' equity share at that time."

This was widely interpreted last night to mean that the calculation of the amount of oil involved would be based on the actual level of production—giving a total transfer of about 90m barrel—and not on the planned level of production—which would give the tribunal's figure of 183m.

The tribunal report was particularly scathing about the relationship between the small Ashland oil company and the NNPC. It said the contract between the two was "terribly lopsided" in favour of Ashland, which had "taken the NNPC and this country for a good ride."

Courage plans to close two London plants

BY GARETH GRIFFITHS AND ANDREW TAYLOR

COURAGE IS to close its brewing and bottling plants in London with the loss of 690 jobs because of increasing operating costs and the need to make better use of the company's other plants. It intends to sell the two sites.

The bottling plant near Southwark Bridge is planned to close in early 1982. The brewery, also on the south bank of the Thames near Tower Bridge, will close next march. Courage has been losing money on its London operations and the closure will mean a reduction in its capacity of 650,000 bulk barrels a year.

Trade unions at both sites were told yesterday. Industrial relations have not been good and there have been distribution problems because of the plants' central London location.

Cask conditioned beer production is to be switched to Plymouth, brewery conditioned production to Reading, and bottling to Bristol and Reading. Courage's giant brewery at Reading came into production this summer. At the time it was planned the company acutely underestimated its cost and overestimated demand.

Courage said last night that supplies to its 1,450 public houses in the South-East would not be affected. It has built six depots around London to handle supplies. The brewery has an estimated 15 per cent share of London's beer market.

Mr. Geoffrey Kent, chairman of Courage, said it was essential to rationalise production facilities. The closure was in the best interest of the majority of Courage employees.

The number of breweries in London has shrunk dramatically since the beginning of the century when London was the country's major brewing centre with nearly 200 breweries. Whitbread closed its plant in the mid-1970s and there are now only a handful of brewers in the capital.

Courage will be trying to dispose of its two south bank sites at a time when prospects for new development look increasingly uncertain. Prospective purchasers may also be deterred by the number of major development projects already initiated for this part of London.

Between these sites is a large area of land on which the proprietors of Hay's Wharf have announced plans to build 2m sq ft of offices. There are also major office schemes planned for Coin Street and Vauxhall Bridge along the south bank.

With this in mind, Courage may not he in any hurry to market the two sites while potential investors may he holding back from new development in the light of continuing high interest rates and still sharply rising building costs.

Continued from Page 1

Computer order

would be far better if possible to find a way of justifying giving the order to the British company.

Ministers appeared to have reached an impasse until one suggested that perhaps the answer was to look at the problem in reverse and consider whether the job specification should be changed.

This idea is understood to have got the backing of at least one Treasury Minister, and other Ministers seem to have supported it as the best way out.

Certainly some of those Ministers arguing in favour of ICL saw the review as a very positive development, on the grounds that the job specification could be drawn up with ICL's ability to carry it out in mind.

Sir Geoffrey said in his written answer yesterday that the original scheme proposed involved centralisation of computing capacity of a highly complex nature in 12 centres handling an average of more than 2m taxpayers each.

Despite the possible advantages of such an approach, experience showed that it carried with it a high risk of unforeseen problems, so that the expected savings and benefits were often not achieved.

The Government, he said, recognised the benefits which computerisation should bring, and felt that the basis on which it was to be done required further consideration.

As a matter of urgency it was therefore carrying out a study of alternative approaches which would diminish these risks and offer a greater opportunity of satisfactory development as the system evolved.

Continued from Page 1

Vosper

Government, including GEC, made it clear that they would not give up their fight

Sir Eric Yarrow, chairman of Yarrow, and a number of his directors including Mr. Maurice Macmillan, Conservative MP for Farnham, went to see Mr. Adam Butler, the Industry Minister, yesterday.

They told him that they "bitterly regretted" the Government's plans to sell off parts of the State industry and would have much preferred having their shipyard back to compensation.

Mr. F. D. Penny, Yarrow's managing director, said yesterday: "We are on record as saying that the asset value of Yarrow was between £15m and £20m on vesting day. So far we have received £2¼m on account.

"The offer made to us this morning was very disappointing."

A spokesman for Sir John Rix, the chairman of Vosper, which owns just under a quarter of Yarrow, said that he "was absolutely horrified that a Conservative Government was so dishonest that it can connive at theft."

Unlike Yarrow, which has been pledged to secrecy in its discussions with the Department of Industry, Vosper has said that it wants between £25m and £30m for its nationalised shipyard and has so far been offered £4.5m.

Farmers angry at ½p milk price rise

BY RICHARD MOONEY

THE RETAIL milk price will go up ½p tomorrow to 17p a pint and may rise still further before the year is out.

Announcing the rise yesterday, Mr. Peter Walker, the Minister of Agriculture, said it had been made necessary by continuing increases in the costs of wages, production, processing and distribution.

The price will be looked at again when an accountants' study of the distribution sector is completed.

The rise, which follows a 1½p a pint increase in February, falls well short of a joint plea for an extra 1½p made by the National Farmers' Union, the Dairy Trade Federation and the Milk Marketing Board at the end of June.

The Government's reluctance to grant a rise of this order was linked to its desire to keep the increase in the retail price index as low as possible. The ½p rise will add 0.05 per cent to the index and 0.25 per cent to the food index.

Mr. Walker was also anxious to avoid hitting liquid milk consumption, which is already falling at an annual rate of nearly 3 per cent.

Mr. Richard Butler, NFU president, described the award as "grossly inadequate." He said it would he received with dismay by dairy farmers, whose incomes were falling sharply for the second year in succession. The requested increase of 1½p was the "minimum requirement."

Milk distributors were also disappointed. Mr. Nicholas Horsley, president of the Dairy Trade Federation, said another 1½p a pint in October would be required to maintain margins.

The Milk Marketing Board said producers would be "bitterly disappointed."

Costs were rising at a 20 per annual rate and milk was cheaper now in real terms than it had been a year ago.

The Consumers' Association, however, described it as "a victory for commonsense." The full 1½p increase would have added £500,000 a day to the national food bill, said Dr. Bill Roberts, head of the association's public affairs office.

No decision has been made yet on how the extra money will be divided between producers and distributors.

Mr. Walker has linked prospects for a further price rise to the findings of independent accountants Binder Hamlyn who are carrying out an investigation into the distributors' costings system.

'No rise' scientists awarded 3%

BY PHILIP BASSETT, LABOUR STAFF

THE 750 senior Civil Service scientists, who were told by the Government that they could have no pay increase this year because their salaries had outstripped those of comparable staff in outside jobs, were awarded increases yesterday of 3.2 per cent by an arbitration tribunal.

The tribunal's award affecting directly about 17,000 scientists and indirectly 3,000 other staff, gives an average additional increase to the group of about 2¼ per cent over the Government's original offer.

Binding on both Government and the scientists' union, the Institution of Professional Civil Servants, it takes overall average increase for the group to about 15 per cent at approximate cost of £22m.

The tribunal hearings took place only this week, and the speed of the award took both IPCS and Government by surprise. The scientists, the final major Civil Service group to settle this year, were well beyond their due settlement date of April 1.

The small scale of the award is effectively a vindication of the Government position, and a further blow to the IPCS, which feels it has suffered badly over pay this year, particularly at arbitration.

Mr. William McCall, IPCS general secretary, said that while the award was an improvement on the Government's offer averaging 12.2 per cent across all grades, its effect was still to depress scientists' pay in relation to engineers and administrators.

The pay of the 750 senior principal scientific officers, who on the basis of pay comparability research, were to have had no increase in their present rate of £15,748, will under the award receive 3.2 per cent taking them to £16,250.

Apart from these senior staff, the award gives 1.5 to 4.1 per cent more to principal scientific officers, taking rates from £8,613-£11,343 to £9,690-£12,540 (overall increase 12.5—10.5 per cent).

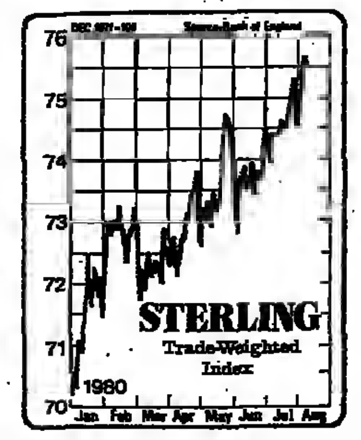
Other increases: senior scientific officers, 1.3 per cent, an overall increase from £6,332-£8,705 to £7,644-£9,619, or 20.7 to 10.5 per cent; higher scientific officers, 1.3 per cent, from £5,097-£6,737 to £6,075-£7,999, or 19.1 to 18.7 per cent; scientific officers 6.9 to 1.3 per cent, from £3,591-£5,486 to £4,809-£6,480, or 33.9 to 18.1 per cent; and assistant scientific officers (main scale), 1.5 per cent, an overall increase from £3,238-£4,030 to £3,832-£4,999, or 18.3 to 24 per cent.

THE LEX COLUMN

The wonder of B and Q

The Bank of England has been running an active, large and successful smoothing operation in the City's financial markets in the aftermath of Tuesday's disturbing monetary figures. In the end, after a further recovery yesterday the FT Government Securities Index is only just over 1 per cent down on the week, while the net decline in the 30-Share Index is only 6.8 points. But the prospect of a cut in Minimum Lending Rate has receded.

Index rose 2.9 to 481.1



Woolworth/B & Q

When Mr. David Quayle brought his do-it-yourself retailer to the stock market last year at the peak of the DIY fashion (and of the market), his timing was much praised. Judging by yesterday's £16½m agreed bid from Woolworth, it has not deserted him. Times are difficult in DIY, and B & Q has been expanding at a rate that may be putting pressure on its management systems. A price of 85p a share represents six times asset backing, a premium of 25 per cent over the ruling market price and 42 per cent over the original flotation level. Assuming that B & Q raises profits from £2.3m to £2.5m this year (selling space will have risen much faster), the exit p/e on a 33 per cent tax charge is 10.

For Woolworth, the bid represents an attempt to regain its place in a market sector which it once dominated. It has already begun to expand its DIY trading internally, and this purchase will speed up the process considerably. Next week's second quarter figures from Woolworth will look horrible—profits may have all hut vanished — and the group desperately needs new impetus. But buying B & Q may well add to the problems of management as the recession deepens, and acquiring the shares free of lien and encumbrance will not protect the group from rent reviews on B & Q's property, which is mostly short leasehold.

Charterhouse

Charterhouse Petroleum, probably the most sober of the many small oil companies to have issued shares this year—either by way of rights or as a new offer for sale — has been only just successfully floated. This demonstrates how the investment mood has changed since the first half of 1980 when North Sea exploration stocks were launched and traded far above the most optimistic estimate that could be put on their asset backing. Charterhouse Petroleum: with a revenue stream from Thistle, has been only 15 per cent oversubscribed, while the sale price of 68p established at the tender is a hare 3p above the minimum and closely in touch with asset valuation.

The turnround in sentiment towards the oil sector in the past few weeks stems mainly from the short-term oil surplus developing. Oil supplies in the free world are estimated to he at an all-time high of 96 days' consumption, and spot prices have been tumbling. Meanwhile, share prices for the smaller oil stocks have come down about 20 per cent since the beginning of July.

The Charterhouse share price looks attractive against many of the smaller companies. Although most are now trading at levels more closely aligned to top-of-the-range independent valuations, on conservative assumptions asset backing is more usually nearer half the share price. In Charterhouse's case, the spread between asset valuations is narrower, which should allow it to hegin trading next week at a small premium over the sale price, even though some tenderers may have received more stock than they bargained for.

Compensation

For all the Government's insistence that its decision not to improve the compensation terms offered to the previous owners of shipbuilding and (by implication) aerospace companies now in state hands is absolutely final, the companies concerned are refusing to treat it as such. Negotiations on a possible change in the law as set down in the 1977 Act—which Sir Keith Joseph has called "grossly unfair"—will probably continue, and it looks as though GEC, Vickers, Yarrow and Vosper will jointly take the case to the European Court of Justice. Incidentally, it seems there may be nothing to be lost by taking the money now on offer before pursuing the case in Strasbourg.

There is a danger, though, that the Government might choose to ignore an adverse decision in the European Court —it might gain votes thereby rather than lose them. So far, the pretexts for refusing to "right the injustice" of the 1977 Act are utterly unconvincing. It is maintained that to improve the terms now would be unfair to all the people who sold shares on the basis of the previous terms; that it would create a false market retrospectively. Coming from the team that has frequently imposed sudden sharp losses on buyers of gilt-edged stocks, this rings oddly. Besides, the Act did not lay down terms—merely guidelines for arriving at terms.

The other excuse is that it would be impossibly complicated to work out new terms with the companies that have already accepted compensation, or unfair not to offer them new terms. This is a false argument: the companies which accepted the Government's terms did so because they believed them favourable.

The real reason for the Government's decision is that it is unwilling to waste precious parliamentary time on a measure which would actually increase public spending. But perpetuating injustices is a poor way to make cuts.

ICL

The statement from the Government that it wants to have a high UK content in the Inland Revenue's computer programme left ICL's share price 2p higher yesterday at 172p. But while the political decision seems to have been taken not to give IBM the order now, the Government has served notice that it may not he able to tolerate the almost inevitable debugging period necessary for any large-scale untried computer project. Losing people's driving licences is bad enough, but getting their tax demands wrong could be a route to serious political trouble. One possible result may be that the Revenue will have to abandon its dreams of a sophisticated centralised project and instead build up a system step by step with smaller scale units.

Weather

UK TODAY

Central and Eastern areas will have sunny periods after fog patches. Rain will spread into many Western districts.

London, S.E., E., N.W., N.E. England, E Anglia, N Wales, N.E., N.W., S.W. Scotland, C. Highlands, Borders

Sunshine after the clearance of mist and fog patches. Max. 22C (72F).

S.W. England, S. Wales, Ulster

Cloudy, rain spreading from the West, followed by brighter weather with scattered showers. Max. 20C (68F).

Outlook: Sunny intervals, rain at times.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	26	79	L. Plms.	C	29	84
Algiers	S	33	91	Lisbon	S	23	73
Amsdm.	C	18	64	Locarno	F	22	72
Athens	S	32	90	London	C	17	63
Bahrain	S	41	106	Luxmbg.	C	20	68
Barcina.	C	27	81	Luxor	S	38	100
Beirut	S	30	86	Madrid	S	30	86
Belfast	F	15	61	Majorca	S	29	84
Belgrd.	S	32	90	Malaga	S	35	95
Berlin	C	22	72	M'chstr.	C	16	61
Biarritz	C	20	68	Melbne.	C	8	47
Bmghm.	C	16	61	Milan	F	24	75
Blackpl.	F	17	63	Moscow	C	18	64
Bordx.	C	20	68	Munich	C	17	83
Boulgn.	C	17	63	Nairobi	C	20	69
Bristol	C	16	61	Naples	S	28	82
Brussels	F	22	72	Nwcstl.	C	14	57
Budpst.	S	30	86	Nice	C	25	77
B. Aires	S	18	64	Oporto	S	20	68
Cairo	S	32	90	Oslo	C	16	61
Cardiff	C	15	59	Paris	F	22	72
Cas'b'ca	F	24	75	Perth	S	20	68
Cape T.	C	16	61	Prague	F	24	75
Cologne	F	23	73	Reykjvk.	C	13	55
Cpnhgn.	C	18	64	Rhodes	S	30	86
Corfu	S	32	90	Rio J'o	S	26	79
Dublin	C	15	59	Rome	S	28	82
Dbrvnk.	S	29	84	Salzbrg.	C	18	64
Ednbgh.	C	15	59	Singapr.	C	29	85
Faro	S	28	84	Stckhm.	C	15	59
Florence	F	30	86	Strasbg.	F	19	68
Frankft.	F	21	70	Sydney	S	18	64
Funchal	S	22	72	Tangier	S	26	79
Geneva	F	19	66	Tehran	S	28	80
Gibraltar	S	32	90	Tel Aviv	S	30	86
Glasgow	C	15	59	Tenerife	S	34	93
G'rnsey	C	17	63	Tokyo	C	23	73
Helsinki	F	21	70	Tunis	S	31	88
H Kong	S	30	87	Valencia	S	29	84
Innsbrk.	C	18	64	Venice	S	30	86
Invrnss.	C	13	55	Vienna	F	27	81
Istanbul	S	31	88	Warsaw	F	24	75
Jersey	C	18	64	Zurich	C	18	64
Jo'burg	S	15	60				

C—Cloudy F—Fair. R—Rain. S—Sunny.

Registered at the Post Office. Printed by St. Clement's Press for and published by the Financial Times Ltd., Bracken House, Cannon Street, London, EC4P 4BY.